volume

21

Small States

Economic Review and Basic Statistics

The Commonwealth

Focus on recovery of small states post-COVID-19

Small States Review and Basic Statistics Volume 21

Rebuilding Small States Post-COVID-19

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Executive Summary

A crisis like no other

The economic impacts of COVID-19 on Commonwealth small states (CWSS) have been vast and far-reaching. The ongoing effects of the pandemic have contributed to a multi-pronged crisis where economies were ravaged, poverty levels have risen, and the expansionary fiscal policies aimed at cushioning the effects of the pandemic have contributed to rising debt levels. All this contributed to the plight of small states, many of which were already grappling with the effects of climatic shocks stemming from their persistent vulnerabilities to adverse climate and weather-related conditions.

The severity of the economic fallout

The containment measures implemented to curb the spread of the pandemic, and the pausing of all non-essential travel sent a ripple of demand and supply-side shocks that contributed to the average CWSS Gross Domestic Product (GDP) contracting by 7.2 per cent. This was more pronounced than the 3.3 per cent contraction of global GDP that stemmed from the steep contraction in tourism and trade, on which small states rely heavily. Among CWSS, Caribbean states fared the worst due to the contraction in tourism-a major economic mainstay for these countries. Going further, economic recovery for small states currently hinges on vaccination rates and distribution, alongside fiscal support and recovery of international travel and tourism.

A disaster on multiple fronts

In addition to COVID-19 dampening the economic performance of CWSS, several CWSS also dealt with adverse climatic shocks that further exacerbated their plights. With rising temperatures, CWSS are facing increasing strains on their natural resources alongside an unparalleled incidence of natural disasters. This has led to a loss of infrastructure and livelihoods that have necessitated increased external borrowing to bolster recovery and support, ratcheting up debt levels and forcing resilience-building to take a back seat. Moreover, the COVID-19-induced debt crisis in CWSS is rendering many countries at risk of debt default and distress. These unsustainable debt levels are further limiting CWSS's fiscal space needed to stimulate economic recovery post-COVID-19 alongside their ability to mitigate the effects of climatic disasters.

The ongoing shocks to CWSS are also adversely affecting human and social development, resulting in a rise in global poverty levels for the first time in 20 years, reversing development progress made over the past decades. Furthermore, containment measures also contributed to school closures affecting educational

outcomes, and the re-allocation of funds to respond to the COVID-19 pandemic has negatively impacted health outcomes like malnutrition, maternal mortality and under-five inoculations.

The road ahead…

To stimulate economic recovery for CWSS, increased access to finance remains crucial to bolstering post-COVID-19 recovery. To tackle climate change, there is a need to focus on protecting biodiversity and ecosystems as well as advancing the decarbonisation of economies. Furthermore, with debt levels already unsustainable, continued re-assessment of the long-term debt sustainability for CWSS remains imperative to help foster sustainable and inclusive growth post-COVID-19 and to help them deal with emerging issues. These recommendations provide a basis through which small states will be able to recover from the COVID-19 pandemic and, in turn, build resilience for their economies going forward.

Special topic: Tourism and COVID-19

Given that the tourism industry was hardest hit by the COVID-19 pandemic, part II of this volume focuses on the special topic of tourism and COVID-19, and aims to map a way forward for CWSS.

Acknowledgements

The *Small States Economic Review and Basic Statistics*, now in its 21st volume and prepared by the Commonwealth Secretariat, is an annual flagship report. The key focus is to update on the recent developments that affect socio-economic development for the 32 Commonwealth small states.

This volume of *Small States Economic Review and Basic Statistics* was prepared by Tamara Mughogho, Economic Adviser, and Sophie Brain and Devyn Holliday, Research Officers. Overall supervision and guidance were provided by Travis Mitchell, Adviser and Head of Economic Policy and Small Sates (EPSS) section and Dr Ruth Kattumuri, Senior Director for Economic Youth and Sustainable Development (EYSD) directorate. This publication also benefited from regular reviews and inputs from the EPSS section of the EYSD directorate and the Trade, Oceans and Natural Resources directorates. The team is grateful for the very constructive and thoughtful comments received from the internal and external reviewers: Brendan Vickers; Denny Lewis-Bynoe; Eric Aelbers; Josaia Karawalevu; Peter Chacha; and Stefano Moncada.

What Are Small States?

Commonwealth small states comprise 32 of the Commonwealth's 54 member countries, spanning five regions globally. The Commonwealth defines 'small states' as sovereign countries with a population of 1.5 million or less. The Commonwealth also designates some of its larger member countries – Botswana, Jamaica, Lesotho, Namibia and Papua New Guinea – as small states because they share many of their characteristics.

Commonwealth small states

Africa
Botswana
The Gambia
Eswatini
Lesotho
Mauritius
Namibia
Seychelles

Asia
Brunei Darussalam
The Maldives

Europe
Cyprus
Malta

The Caribbean
Antigua and Barbuda
The Bahamas
Barbados
Belize
Dominica
Grenada
Guyana
Jamaica
St Kitts and Nevis
St Lucia
St Vincent and The Grenadines
Trinidad and Tobago

The Pacific
Fiji Islands
Kiribati
Nauru
Papua New Guinea
Samoa
Solomon Islands
Tonga
Tuvalu
Vanuatu

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Acronyms and Abbreviations

COVID-19	Coronavirus disease 2019
CWSS	Commonwealth Small States
DFI	Development Finance Institution
GDP	Gross Domestic Product
ICT	Information and Communication Technology
IFI	International Financial Institution
IMF	International Monetary Fund
LMICs	Low and Middle Income Countries
MSME	Micro Small and Medium-Sized Enterprise
SARS	Severe Acute Respiratory Syndrome
SDGs	Sustainable Development Goals
SIDS	Small Island Developing States
SME	Small and Medium-Sized Enterprises
SSA	sub-Saharan Africa
OECD	Organization for Economic Cooperation
PPP	Public Private Partnerships

Part I:

'A Disaster on Multiple Fronts', and The Recovery Ahead

Chapter 1

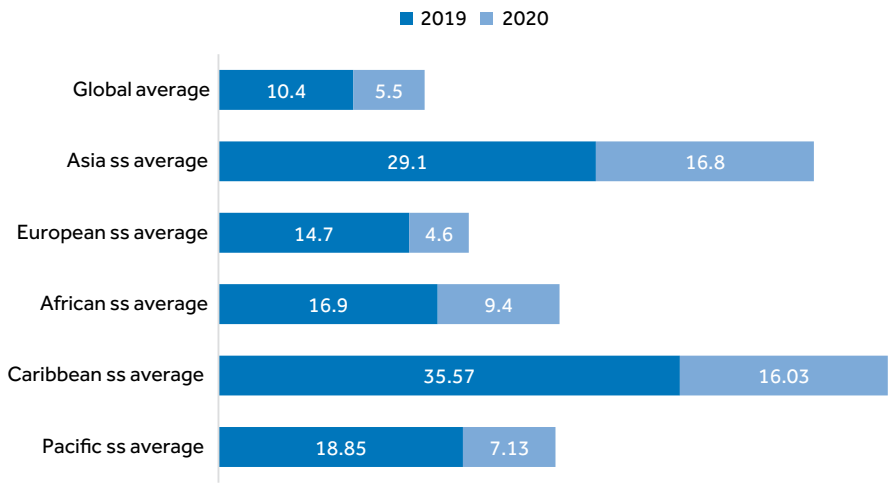
Small States' Economic Performance During the COVID-19 Pandemic

1.1 Introduction

The economic impacts of the ongoing COVID-19 pandemic have been vast, affecting both developed and developing countries alike and bringing forth a multitude of effects likely to be felt for a long time. Across the globe, the combination of demand and supply-side shocks contributed to an economic slowdown affecting the performance of trade in goods and services. This particularly affected Commonwealth small states (CWSS), who suffered a catastrophic economic fallout due to their high dependence on trade and tourism. With the first line of response to the pandemic being to reduce travel, many CWSS suffered major losses to tourism, resulting in a fall in tourism as a share of GDP. Because CWSS rely heavily on tourism as their economic mainstay, the fall in tourism's contribution to GDP in these countries far outpaced the overall global decline in tourism (Figure 1). This had myriad implications on foreign exchange earnings, revenues and employment while also adversely impacting other sectors dependent on tourism demand. Among the Commonwealth regions, Asian small states like the Maldives and the Caribbean small states were the worst hit, with the contribution of tourism to GDP halved as the pandemic raged on.

The economic effects of the pandemic on CWSS were compounded by the fact that these countries also had to deal with a barrage of weather-related

FIGURE 1: TOURISM AS A SHARE OF GDP FOR 2019 AND 2020



Source: World Travel and Tourism Council.

shocks that further ravaged their economies. These included several tropical cyclones that hit regions such as the Pacific, putting pressure on countries already battling with severe economic losses. To this end, the combination of shocks on various fronts has contributed to worsening fiscal balances and increased debt stocks, and it could potentially reverse socio-economic progress and delay recovery.

Recognizing the unique set of challenges faced by CWSS during the pandemic, this report aims to provide an overview of the effects of the pandemic on CWSS and outline policy solutions to help map out their recovery. Sections 1.2 and 1.3 of Chapter 1 outline the economic impact of COVID-19 on CWSS and the factors affecting their recovery. Chapter 2 takes an in-depth look at issues that affected CWSS from 2020 to 2022, with a focus on climate change, debt, and human and social development. Chapter 3 examines the various policy options available for CWSS. Lastly, given that the tourism industry in CWSS was badly hit by the pandemic, the special topic for this edition of the report focuses on tourism and is titled 'Tourism and COVID-19: Mapping a Way Forward for Small States'.

1.2 Examining the economic impacts of COVID-19 in.CWSS

Between 2010 and 2019 the global economy was on a sustained path of economic recovery following the global financial crisis. In tandem, small states' economies rebounded and on the eve of the COVID-19 pandemic averaged around 3 per cent in economic growth. However, this progress was halted sharply in 2020 when a combination of trade restrictions, geopolitical headwinds and the onset of the COVID-19 pandemic disrupted global supply chains, causing manufacturing to plummet worldwide.

Severe and wider global economic effects unfolded due to containment measures implemented to curb the spread of the virus. These sent shockwaves across the global economy, blooming into an economic downturn not seen since the Great Depression. What has now been coined the 'Great Lockdown' precipitated a decline in global GDP of 3.3 per cent in 2020 (IMF, 2021a) (Figure 1). Commonwealth small states experienced a sharper contraction in GDP of 7.2 per cent relative to the world average and compared to advanced economies' GDP, which fell by 4.7 per cent.

With all non-essential activity paused, effects on the global economy arose from both the demand and supply side. Countries' closures of borders and restrictions on travel affected the tourism and hospitality sectors, as well as trade supply chains. As service sectors such as tourism were hit hardest during the depths of the pandemic, small tourism-dependent economies have borne the brunt of the effects, alongside commodity-dependent countries (IMF, 2021a;

World Bank, 2020a). This contributed to CWSS being the worst hit due to suffering tourism losses coupled with their relatively limited fiscal space that limited their ability to implement large stimulus packages, similar to those brought forward by larger economies to help cushion the economic woes.

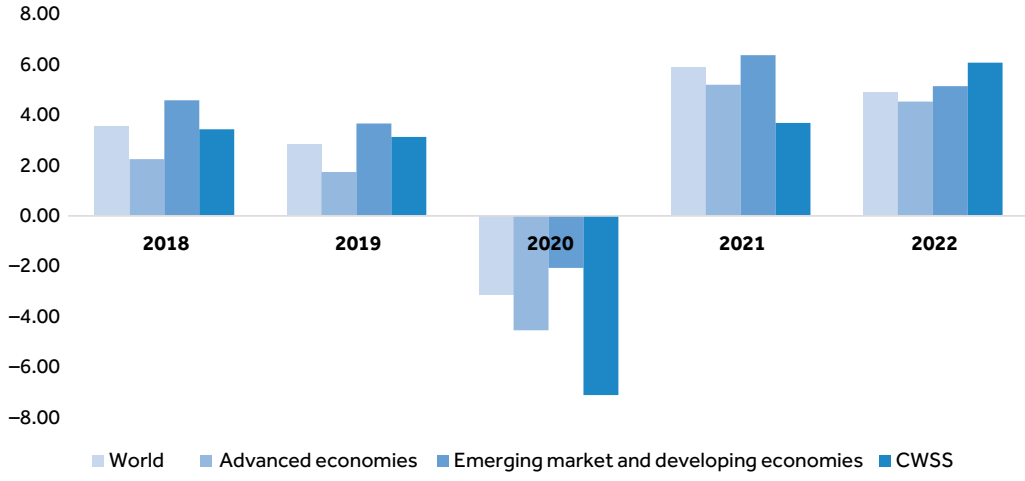
A further decrease in economic activity as many people worked and schooled from home contributed to reduced consumption and investment (World Bank, 2020a). On the supply side, the closure of businesses and decreased labour supply curtailed production, amplifying the already negative impact on global supply chains.

The contraction in GDP varied across regions, with the Caribbean region experiencing the largest losses at -8.8 per cent (Figure 2). This was followed by African and Pacific CWSS, who faced demand and supply shocks that negatively impacted their economies.

In addition to these countries suffering major losses from tourism, the economic situation in small states was exacerbated by these countries' general high openness and dependence on trade. This contributed to a decrease in exports, and for importing countries this affected their ability to import basic commodities, including food, leading to a 0.3 per cent decline in the volume of exports and imports in CWSS in 2020 (IMF, 2021a).

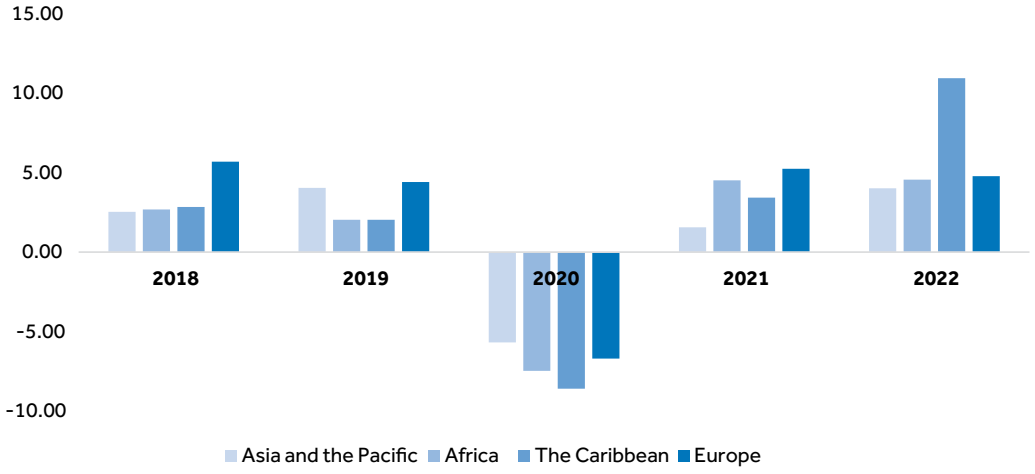
The economic decline among CWSS was widespread with many countries' GDP falling in 2020 (Figure 3). This was more pronounced in tourism-dependent countries like Maldives, Fiji, Seychelles and The Bahamas, which experienced substantial losses in GDP (Figure 3). Similarly, commodity-dependent countries like Botswana and Namibia were dealt with production shocks due to the closures of major diamond mines during the early stages of the pandemic.

FIGURE 2: GDP GROWTH (%) ACROSS SELECTED COUNTRY GROUPS, 2018–2022



*Projections start in 2018 and 2019 for some countries.
Source: IMF, 2021a, and Commonwealth calculations.

FIGURE 3: GDP GROWTH (%) ACROSS COMMONWEALTH SMALL STATES, 2017–2022

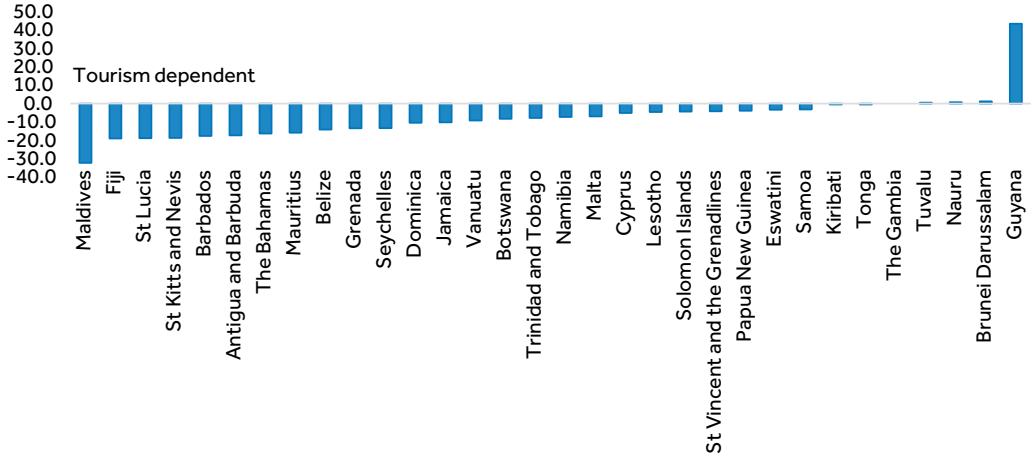


Projections start in 2018 and 2019 for some countries.
Source: IMF 2021a, and Commonwealth calculations.

To put things into perspective, Figure 4 shows the extent to which the tourism decline affected the growth of major tourism-dependent countries. Countries like Maldives and Antigua and Barbuda are among those with the highest share of tourism receipts as a share of exports. As such, the fall in tourism receipts in these countries contributed to major economic losses, with GDP in Maldives and Antigua and Barbuda falling by 40 per cent and 20 per cent respectively.

The halt of tourism also contributed to many job losses in the industry affecting overall employment in CWSS (Box 1). Furthermore, the losses

FIGURE 4: GDP GROWTH RATES IN CWSS (2020)



Source: IMF, WEO 2021.

BOX 1: OTHER EFFECTS OF COVID-19 ON COMMONWEALTH SMALL STATES

Trade

Restrictions caused a decline in exports and imports, affecting the current account balance of CWSS. The average current account deficit of CWSS increased from US$70 million in 2019 to $250 million in 2020.

Unemployment

- Unemployment in CWSS rose from 9.5 per cent in 2019 to 10.7 per cent in 2020.
- Workers in the tourism sector were the worst hit, but informal sector workers, young people and women were also badly affected by job losses.

Fiscal developments and inflation

- Expenditure increased while revenues declined to decreased trade and tourism.
- Low demand contributed to low inflation.

	2019	2020
Revenue-to-GDP ratio	39%	38%
Expenditure-to-GDP ratio	40%	45%
Inflation	2.2%	1.5%

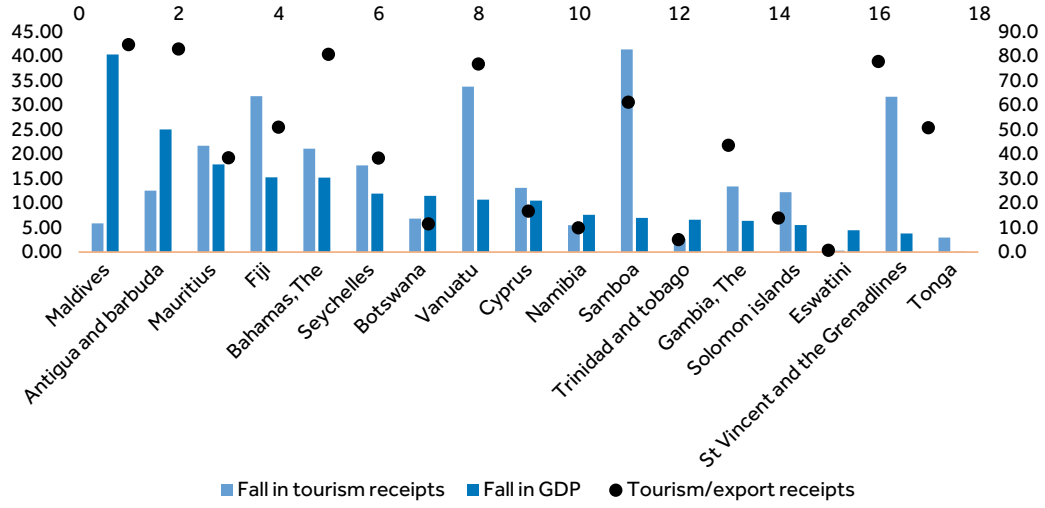
Source: IMF, World Economic Outlook, October 2020, International Labour Organization data

from tourism catapulted a decrease in revenues and foreign exchange earnings, particularly in tourism-dependent CWSS. Conversely, CWSS spending expanded significantly on account of governments' efforts to provide health services and increased social protection. The gap between revenues and expenditure adversely affected CWSS fiscal balances in countries that were already characterised by fairly high levels of debt before the COVID-19 pandemic (Figure 5).

In the midst of the global economic decline, Guyana managed to stand out, experiencing substantial economic growth while other countries' economies were decimated. The exploration and production of oil in Guyana contributed to a 43 per cent increase in GDP (Box 2). This made the economic performance of Guyana remarkable, not only among CWSS but also globally. In addition to contributing to outstanding GDP growth, the production of oil resulted in increased revenue production, which made it easier for Guyana to weather the storm of the pandemic.

Other small states like Brunei Darussalam and Nauru also fared relatively well, managing to register positive economic growth rates

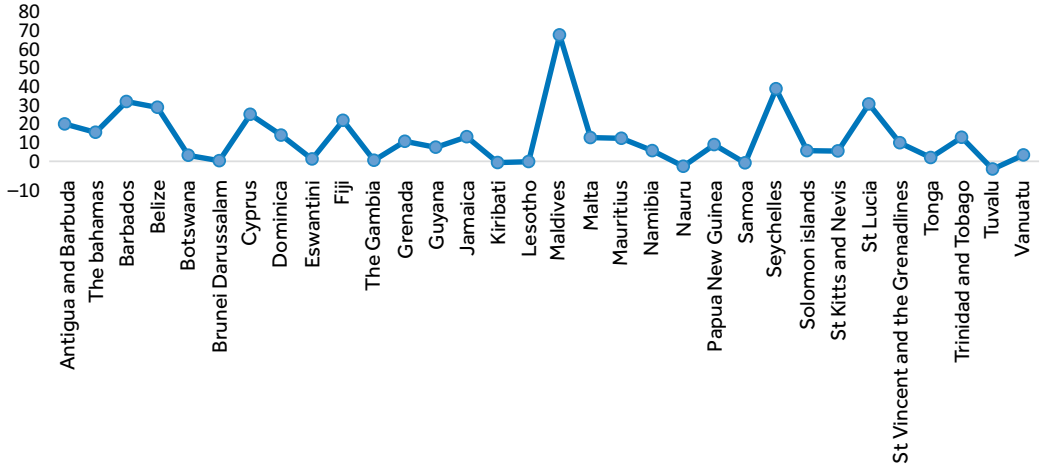
FIGURE 5: THE CONTRACTION IN TOURISM AND GDP IN CWSS IN 2020



Source: World Development Indicators. Data is not available for some CWSS.

in 2020. The sustained economic performance in Brunei was attributed to growth in exports of petrochemical products (Centre for Strategic and Policy Studies, 2020; Santander Trade, 2021). For countries like Nauru and Tuvalu, buoyant fishing revenues and donor aid, coupled with limited spill-over effects from tourism, helped ensure that these tiny island nations were able to avoid an economic recession in 2020 (IMF, 2021b; Howes

FIGURE 6: CHANGE IN DEBT STOCK IN CWSS IN 2020



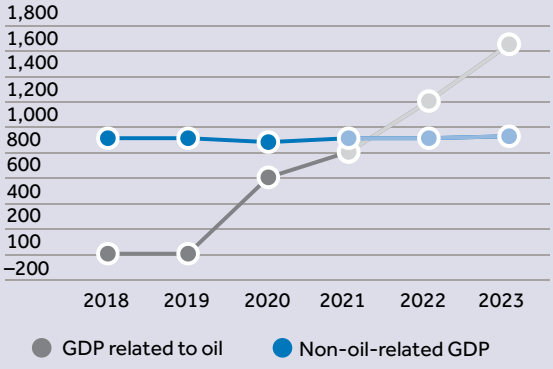
Source: IMF, WEO 2021.

BOX 2: THE GUYANA SUCCESS STORY: THE IMPACT OF OIL PRODUCTION ON GROWTH AND REVENUE

Guyana's economy is riding into the post-COVID-19 world in better shape than that of practically any other country on the planet. In 2020, Guyana's economy grew by over 43.4 per cent, making it the only country in the Caribbean and Latin America region projected to experience positive real GDP growth that year. This is set to continue in 2021, with GDP growth estimated at over 20 per cent.

This growth is due to oil production: the country is transitioning towards being a predominantly oil-producing country, completing one year of production in 2020.

FIGURE 7 REAL GDP OF GUYANA, 2018–2023 (GUYANESE DOLLARS, 2012 PRICES)



Source: World Bank, 2021
Note: Figures for 2021–2023 are forecasts.

The production and export of oil is generating significant fiscal revenues, stimulating private sector investment and allowing for government investments in essential public goods.

While oil production is boosting fiscal revenues, Guyana will need to ensure that it has the governance in place to transform its newfound wealth into human capital, physical capital, and financial assets for broad-based welfare increases.

and Surandiran, 2021). It is also worth mentioning that, despite the combined threats of COVID-19, natural disasters and climate change, Vanuatu graduated from Least Developed Country status in December 2020.

1.3 A long and winding recovery ahead

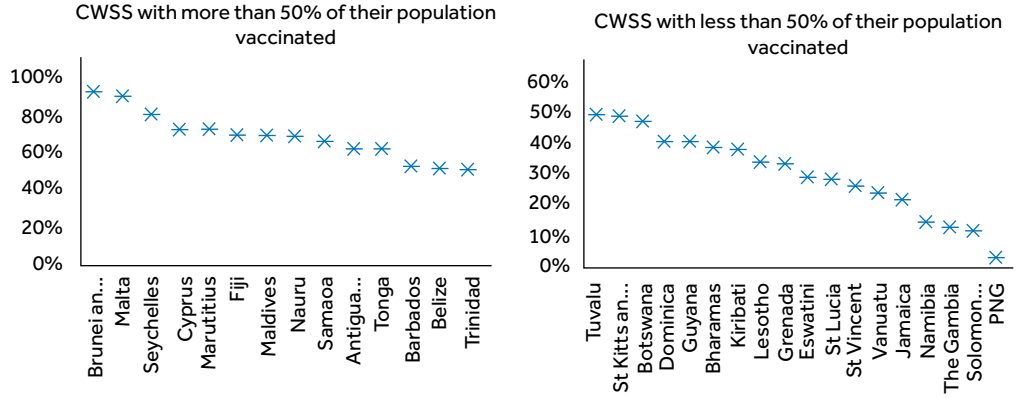
CWSS are expected to rebound by 3.7 per cent in 2021 and 6.1 per cent in 2022 (Figure 1). The rebound is expected to be higher among Caribbean CWSS (10.9 per cent) followed by European CWSS (4.8 per cent). The economic recovery in CWSS is predicated by a rebound in tourism demand and an uptick in domestic consumption, favourable exports and commodity prices. However, the recovery could be moderated by limited policy space to continue expansionary fiscal policies (Box 3).

The variable rollout of vaccines also underpins the uneven recovery between advanced and developing countries. While advanced countries have been effective in vaccinating their populations, emerging markets and developing economies are lagging. However, a few CWSS have made significant strides in vaccinating their populations, including Brunei and Darussalam, with over 90 per cent of their population vaccinated (Figure 6) (Commonwealth, 2021a). However, a significant number of CWSS have yet to vaccinate more than half their populations.

Economic recovery from the pandemic will also be determined by the extent of fiscal support as well as differences in eligibility for internationally agreed relief measures. In contrast to advanced economies, which are expected to return to pre-pandemic levels of GDP per capita by 2022, inadequate fiscal stimulus in CWSS is likely to slow their economic recovery (World Bank, 2021a). A further drag on CWSS recovery is their unequal ineligibility for the G20's Debt Service Suspension Initiative, which has provided much-needed liquidity and relief to cash-strapped countries, with an estimated US$1.8 billion provided in the second half of 2020. This gap in access to funding both domestically and internationally means that increased access to concessional financing and debt relief remains crucial for CWSS recovery.

Moreover, the recovery of some small states will depend on the performance of their tourism source markets and major export destinations (Box 3). With the pandemic ongoing and travel restrictions yet to be fully absolved, it may be a while before we attain pre-pandemic projected levels of

FIGURE 8: VACCINATION RATES AMONG CWSS (PERCENTAGE OF THE POPULATION VACCINATED) AS OF FEBRUARY, 2022



Source: Commonwealth COVID-19 Vaccination Tracker.

growth. With a projected rebound growth of 5.4 per cent in advanced economies in 2021, we can expect a steady resumption in tourism activity stimulating demand for CWSS tourism.

TABLE 1 FACTORS AFFECTING POST-COVID-19 ECONOMIC RECOVERY IN COMMONWEALTH SMALL STATES

Conditions for recovery in CWSS	Restoration of demand for trade in goods and services.
	The performance and regulations imposed by tourism source markets and the reopening if tourism.
Factors likely to affect recovery in CWSS	The uneven roll-out of vaccines and emergence of new COVID-19 variants.
	Limited fiscal space and high debt burdens.

Chapter 2

Thematic Issues Affecting Small States

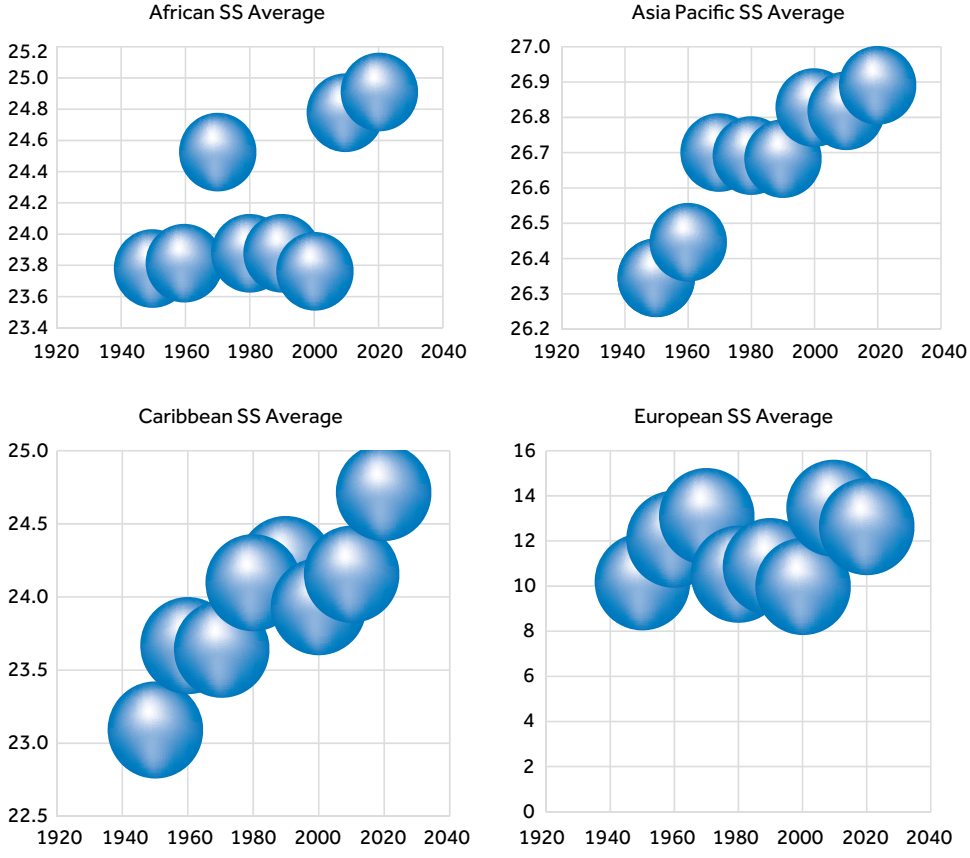
2.1 Tackling climate change during the COVID-19 pandemic

Climate change at boiling point

Over the past 60 years, the mean temperature across Commonwealth small states has increased by at least 1°C (Figure 9), the effects of which have been the erosion of coastal ecosystems and deleterious risks to agriculture and tourism. To add to this, extended periods of drought are threatening water security in the Caribbean and the Pacific, and ocean acidification has led to a decline in fisheries for European and African CWSS (World Bank, 2021b).

In some cases, climate change has spurred the relocation of communities due to the physical loss

FIGURE 9: JANUARY AVERAGE TEMPERATURE IN COMMONWEALTH SMALL STATES 1950-2021



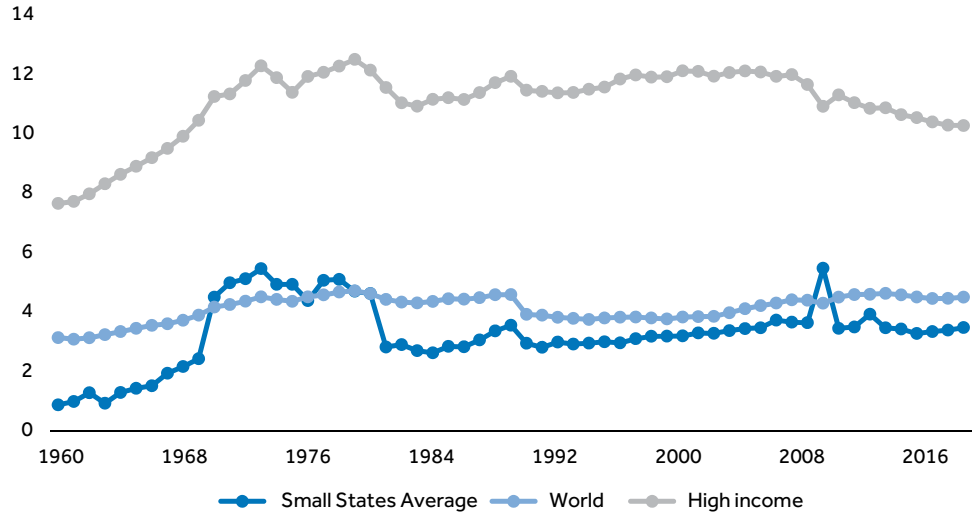
Source: World Bank, 2021b.

of land and natural resources. Across the Pacific, there are 36 planned relocation cases (of a global 308) from many communities in countries like Fiji, Kiribati and Vanuatu (Bower and Weerasinghe, 2021). In the future, this trend will increase across CWSS, particularly those in the Pacific, Asia, and the Caribbean, due to both the loss of physical land and increasing strains on natural resources such as fresh water and marine resources, rendering the ancestral homes of many communities unlivable. These forced migrations lead to loss of livelihoods and, more importantly, community, destabilising many indigenous groups and cultures for years to come.

Despite being largely affected by adverse weather-related shocks, in the past six decades, on average, CWSS have produced lower CO_2 emissions per capita than world averages (Figure 10). However, they remain inherently vulnerable to the effects of climate change due to their limited economic bases, inherent geographic features and high susceptibility to natural disasters.

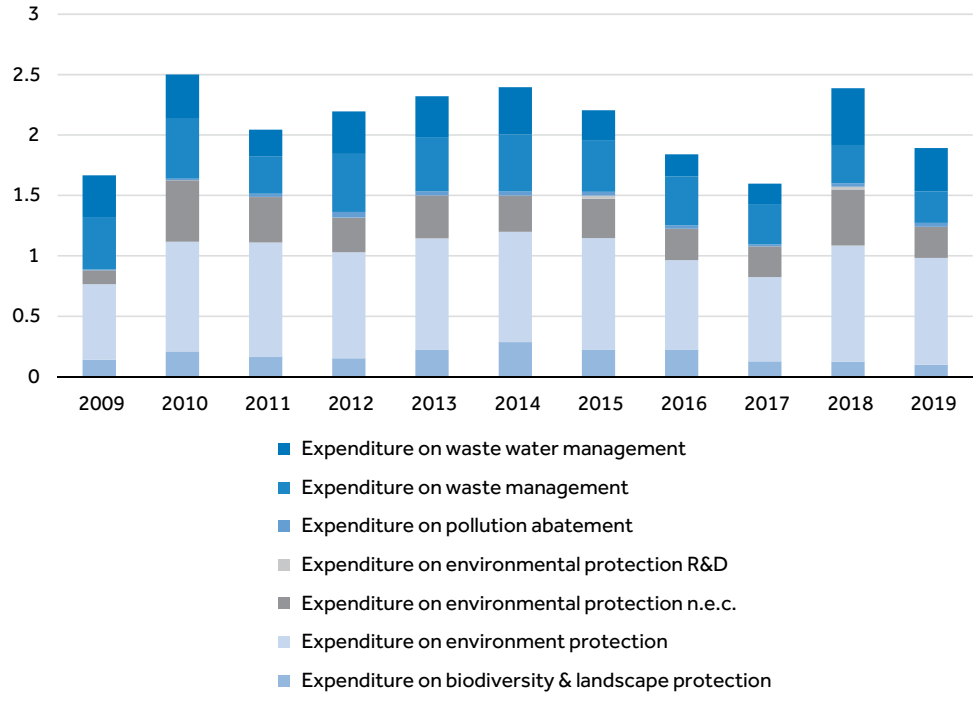
With regards to average small states expenditure on environmental protection, a large proportion of it is focused on waste management and environmental protection administration (Figure 11). Inadequate fiscal space and misdirected priorities due to focusing on building climate resilience with support from other development partners mean that governments are not able to focus on building socioeconomic resilience, which will be crucial as countries face increased environmental and thus economic devastation. Their lack of capacity to fight climate change as well as their limited contribution to it underscores CWSS calls on international development partners to come to their assistance.

FIGURE 10: CO_2 EMISSIONS (METRIC TONS PER CAPITA)



Source: World Bank, 2021.

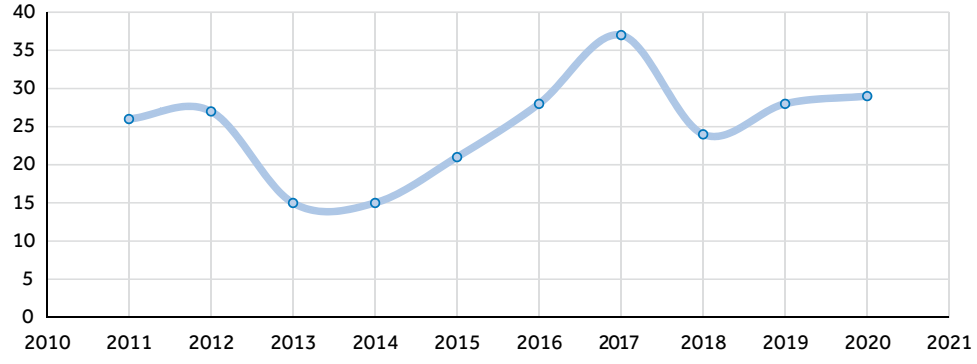
FIGURE 11: SMALL STATES AVERAGE GOVERNMENT EXPENDITURE ON ENVIRONMENTAL PROTECTION (% OF GDP)



Source: IMF Government Finance Statistics (GFS); IMF Statistics Department Questionnaire.

With the frequency and intensity of climate-related weather events rising, CWSS are set to face increasing economic and environmental devastation (Mead, 2021). Between 2017 and 2020 there were, on average, nearly 30 more occurrences of natural disasters than between 2013 and 2016 (Figure 12). The evidence is clear; hurricanes and cyclones are occurring

FIGURE 12: OCCURRENCE OF CLIMATIC DISASTERS IN SELECTED CWSS BETWEEN 2011 AND 2020



Source: Emergency Events Database (EM-DAT), 2021.

BOX 3: QUANTIFYING THE DAMAGES FROM TROPICAL CYCLONE HAROLD

Vanuatu lost 69.7 per cent of its GDP, as a consequence of both TC Harold and COVID-19 (ADB, 2020)

10,000 Fijians were displaced by TC Harold (Ober and Bakumenko, 2020).

TC Harold caused US$111 million in damages in Tonga (Ober and Bakumenko, 2020).

The approximate cost of the damage to food supplies in both Vanuatu and Fiji is estimated at US$12.9 million (Ober and Bakumenko, 2020).

US$3 million is needed for seeds, tools and capacity building after intense winds damaged more than 175,000 hectares of cropland in Vanuatu (Ober and Bakumenko, 2020).

closer and closer together, suggesting the combined intensity and frequency of these events will make it more difficult for CWSS to recover.

Socio-economic implications of climate change in CWSS

The economic implications of climatic disasters for CWSS are vast. In Caribbean CWSS, extreme weather events, coupled with increased spending due to COVID-19, exacerbated their economic woes. For instance, due to increased borrowing to pay for social protection measures, debt in Barbados rose to 144 per cent in 2020, while that in Jamaica was forecast to rise to 111 per cent in 2021 (UNDRR, 2021). This left little room for disaster risk financing due to the tight fiscal situation at the time. Economic losses brought on by COVID-19 and natural disasters have necessitated increased external borrowing to bolster recovery and support. The combination of shocks from various fronts has reduced contingency funds to tackle climatic disasters, forcing resilience-building to take a back seat (UNDRR, 2021).

Similarly, for Pacific CWSS the past two years have been difficult due to the mounting threat from climatic disasters. At the start of the pandemic (2020), CWSS in the Pacific faced a deadly and record-breaking cyclone season which saw tropical cyclone (TC) Harold (Box 4) and TC Yasa battering Vanuatu, Fiji, Solomon Islands and Tonga.

Compounding the damage done by TC Harold, TC Yasa hit Fiji in late December of 2020, the fifth Category 5 storm since 2012 (Radio New Zealand, 2021; Commonwealth DRF Portal, 2020). Fiji's government estimated losses from the storm at USD 250 million on account of damage to infrastructure, livelihoods, and agriculture. Recovery was protracted because rural areas across the archipelagos are normally hard to reach for disaster relief and this was particularly difficult given COVID-19, which led to stricter constraints on inter-island travel.

Taken together, these natural disasters have had adverse impacts on CWSS livelihoods and integral sources of

subsistence, amid the rising costs of food imports. COVID-19 has, in turn, complicated the logistics of aid and put downward pressure on the quantity of assistance from donor countries grappling with their pandemic effects (Ober and Bakumenko, 2020).

Changing weather patterns have also had an adverse effect on countries such as Seychelles, where the blue economy contributes up to 30 per cent of GDP and accounts for 45 per cent of formal employment (UNECA, 2021). In such countries, the combination of warming seas, overfishing and mass coral bleaching has contributed to losses of marine livelihoods potentially affecting socio-economic development progress. Furthermore, in landlocked Lesotho, climate change is manifesting via extreme changes in seasonal weather patterns inducing heavy rains and floods that have contributed to the loss of agricultural livelihoods (Lehana and Whittle, 2021). The adverse climatic conditions have also resulted in limited access to clean water and adverse implications for social development, as people could no longer afford school fees and were forced to take risky routes to reach resources necessary for survival.

For European and Asia CWSS, climate change has resulted in more and more of these nations' budgets being devoted to fighting the effects of climate change. In July of 2021, Cyprus experienced the worst wildfire in the country's history, with 55 km^2 of the country burned because of the extreme heat (BBC, 2021). This disaster dealt a double blow to Cyprus as the country was already reeling from heavy losses in tourism revenues because of COVID-19. In the Maldives there has been severe erosion of around 90 per cent of the islands (Manzo et al, 2021), with encroaching seas resulting in resorts being washed away (Box 4). This erosion has had an acute effect on Maldives' tourism, its largest economic driver (Box 5).

BOX 4: PARADISE LOST: THE COST OF CLIMATE CHANGE FOR MALDIVES TOURISM

More than 90 per cent of the islands in Maldives have severe erosion, reporting flooding annually, and 97 per cent of the country no longer has fresh groundwater due to salinisation of the water lens caused by sea level rise (Manzo et al., 2021; Behsudi, 2021). As 28 per cent of the nation's GDP is tourism-based and 60 per cent of foreign exchange comes from tourism receipts, the socio-economic future of the country hinges on tourism's longevity (Behsudi, 2021).

With no choice but to act decisively and swiftly, Maldives is making moves to protect the future of its most important industry and its most important resource – the natural environment. The government has shifted away from using diesel as the nation's principal energy source, and towards solar power; it also aims to phase out single-use plastic by 2021 (Behsudi, 2021). Furthermore, the government has a plan to protect 20 per cent of marine resources by 2030. While these are key steps that all small states in similar situations should follow, those countries causing the bulk of emissions need to make bigger commitments to curbing them.

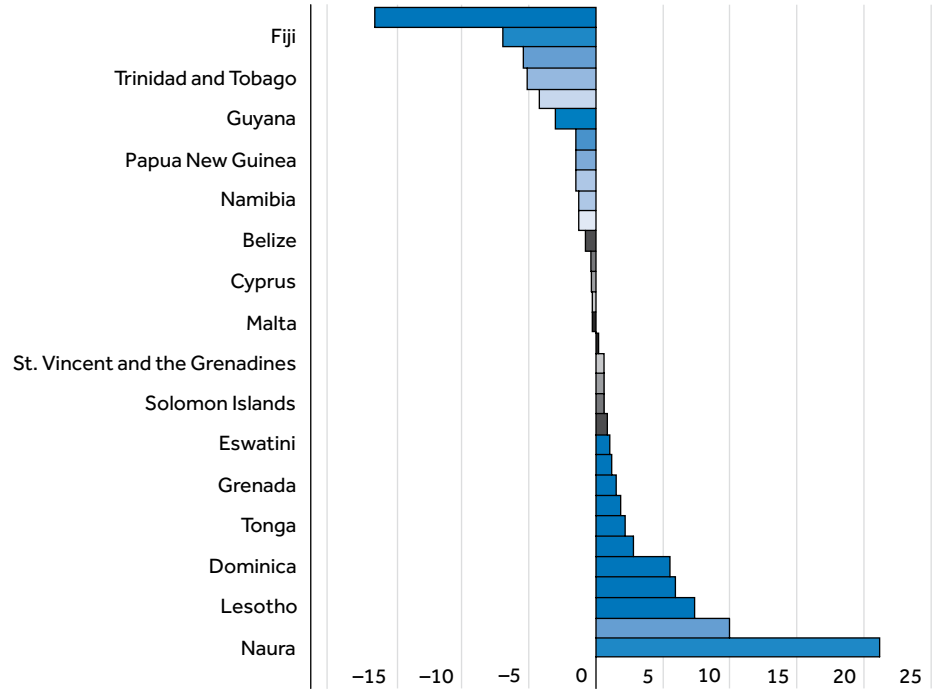
2.2 The rising debt crisis in CWSS

Fiscal pressures and implications on debt

With low economic diversification, constrained fiscal spaces and limited policy tools to combat economic shocks, small states have suffered greatly as a result of COVID-19. In particular, rising fiscal pressures have culminated in increased debt stocks further constraining small states' fiscal policy response. Despite the contraction in tourism and trade in 2020, global revenue contracted marginally with CWSS registering a slight increase in revenues from 38.37 per cent in 2019 to 38.75 per cent in 2020. Nonetheless, the situation varied across CWSS, with countries like Kiribati, Fiji, Jamaica, Seychelles and Mauritius experiencing large revenue losses, possibly due to the closure of tourism during the pandemic (Figure 13). Furthermore, decreased export revenue is likely to have contributed to revenue losses in some CWSS. In countries such as Nauru, however, revenue losses from tourism were more than offset by other revenue streams, such as fisheries and taxation, contributing to large increases in revenue during the pandemic (the Republic of Nauru, 2020).

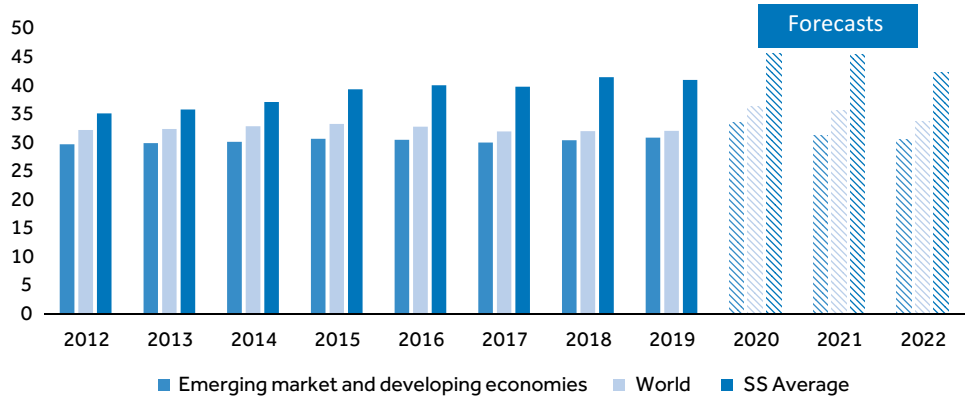
Despite the mixed bag with regards to revenue performance across CWSS, expenditure generally increased

FIGURE 13: CHANGE IN REVENUE IN CWSS BETWEEN 2019 AND 2020



Source: Commonwealth Secretariat (Data from IMF, WEO, January 2022).

FIGURE 14: GLOBAL FIGURES FOR AVERAGE EXPENDITURES

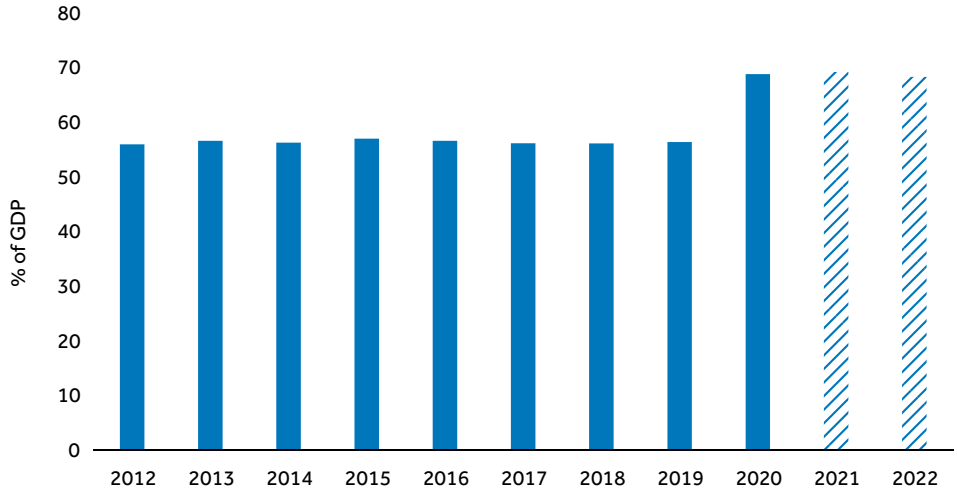


Source: Commonwealth Secretariat (Data from IMF, WEO, January 2022).

in 2020 as countries sought to cushion the effects of the pandemic. Consequently, the rising demand for fiscal support contributed to a sharp increase in expenditure-to-GDP in CWSS, from 41 per cent in 2019 to 45 per cent in 2020 – the highest since 2012 (Figure 14). This placed extra fiscal pressure on CWSS who were already grappling with high levels of expenditure before the pandemic, and it is likely to persist beyond the pandemic. Additionally, while global average expenditure was quick to revert to pre-pandemic levels in 2021, for CWSS, expenditures are predicted to start contracting in 2022. This is indicative of the multitude of unique challenges CWSS face that place extra-budgetary pressures on their economies. For instance, while many countries only had to deal with the pandemic, for some CWSS exposure to various weather-related shocks further exacerbated their woes.

The combination of widening expenditure and stagnation of revenue intake in 2020 contributed to large fiscal deficits and higher debts stocks across the globe. The culmination of this was a spike in global debt levels to 66.7 per cent in 2020 after a period of relative stability between 2012 and 2019. The situation was worse for CWSS, where debt-to-GDP increased by more than 12 percentage points to reach 68.9 per cent in 2020 and is expected to continue expanding in 2021 and 2022, undoing several years of fiscal restraint and efforts to improve debt sustainability (Figure 15). The increased debt stocks place further pressures on CWSS recovery post-COVID-19 as expenditure needs will increase to service debt obligations. In what has the makings of a vicious cycle, these challenges are likely to worsen the pre-existing structural challenges CWSS face, including persistent and high public debt, narrow and volatile revenue bases, low growth and high expenditure-to-GDP ratios (World Bank, 2020b).

FIGURE 15: SMALL STATES DEBT-TO-GDP



Source: Commonwealth Secretariat (Data from IMF, WEO, January 2022).

Implications of rising debt in CWSS

The imminent COVID-19-induced debt crisis in CWSS has several implications for these states, leaving many countries at risk of debt default or in debt distress. Unsustainable debt levels could limit CWSS' fiscal space to stimulate economic recovery post-COVID-19 and reduce financial capacity to mitigate against the effects of climatic disasters (UNCTAD, 2020a). This holds for CWSS in the Caribbean and Pacific regions, which are extremely vulnerable to climatic disasters and where a debt crisis poses acute consequences and places pressure on their economies.

Regionally, debt-to-GDP in Caribbean CWSS spiked in 2020, rising to 90 per cent in 2020, and it was predicted to rise further in 2021 before falling marginally in 2022 (Box 6). This imposed extra fiscal pressures for the region where tourism revenue had already been decimated by the pandemic. Similarly, the rise in debt in the Pacific also constrained their fiscal space for much-needed investment, especially in the areas of climate change adaptation and resilient infrastructure (IMF, 2021). Furthermore, it is projected that for Pacific CWSS, even with economic recovery their fiscal positions and gross debt are likely to lag behind the general economic recovery (IMF, 2021). Box 6 provides an overview of the debt performance across various CWSS regions.

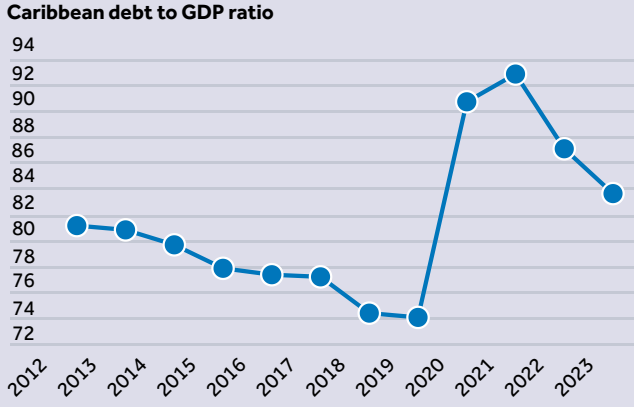
In addition to limiting the fiscal space to support economic recovery and protect against other shocks, the debt crisis that followed the COVID-19 pandemic left many CWSS with long-standing debt challenges. Due to their limited ability to repay loans, currently, 15 out of 32 CWSS are in varying levels of debt distress based on the World Bank and IMF Debt Sustainability

BOX 5: DEBT TRENDS AMONG COMMONWEALTH SMALL STATES, BY REGION

The Caribbean

The debt-to-GDP ratio in the Caribbean spiked in 2020 after a period of decline between 2012 and 2019. This left Grenada in debt distress, and four other CWSS at risk of debt distress. However, the debt stock in Grenada remains sustainable as it is due to unresolved arrears to bilateral creditors and is likely to fall post-COVID-19 (IMF, 2020).

FIGURE 16 DEBT-TO-GDP RATIOS AMONG COMMONWEALTH COUNTRIES IN THE CARIBBEAN, 2012–2023*

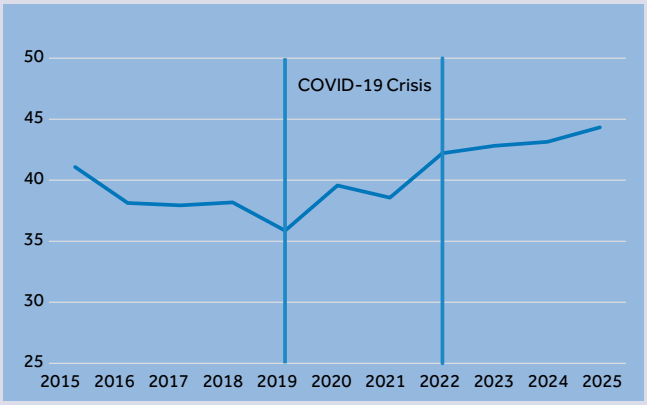


Source: IMF, World Economic Outlook, October, 2020
***Note:** data for 2021–2023 are projections.

The Pacific

As in the Caribbean, the pandemic caused a spike in debt among Pacific CWSS. This exacerbated existing vulnerabilities in countries like Tonga, limiting its fiscal buffers and causing urgent balance-of-payment needs, putting the country at high risk of debt distress (IMF, 2021).

FIGURE 17 DEBT-TO-GDP RATIOS AMONG COMMONWEALTH SMALL STATES IN THE PACIFIC, 2015–2025*



Source: IMF, World Economic Outlook, October, 2020

Africa

Overall debt increased across all African CWSS between 2019 and 2020 due to the spending needed to finance public health and protect livelihoods.

In tourism-dependent CWSS like Mauritius, debt-to-GDP levels soared by more than 10 percentage points between 2019 and 2020, from 84.6 to 96.9 per cent of GDP, mainly due to falls in tourism.

FIGURE 18 DEBT-TO-GDP RATIOS AMONG COMMONWEALTH SMALL STATES IN AFRICA, 2020

Source: IMF, World Economic Outlook, October, 2020

Asia

For Asian CWSS such as Maldives, debt obligations have grown substantially since the beginning of the pandemic, from 78 per cent of GDP in 2019 to 146 per cent in 2020. This is due to a sharp decline in government revenues because of the loss of tourism and increased health and social security spending caused by the impact of COVID-19 (World Bank, 2021c).

Europe

In Cyprus, government debt had reached 119 per cent of GDP by the end of 2020 (up from 94 per cent in 2019) due to the pandemic and accompanying measures to protect the economy (European Commission, 2020).

Analysis (Table 2). High debt distress further implies that CWSS will have to dedicate large amounts of public revenue to debt repayments rather than spending on infrastructure or public services. This will also reduce their ability to build resilience in the face of natural disasters and negatively impact their ability to borrow in the future. For instance, the debt situation in African CWSS pushed six of the seven African CWSS well over the IMF debt-to-GDP ratio threshold for their respective income categories.

TABLE 2 DEBT SUSTAINABILITY ANALYSIS OF COMMONWEALTH SMALL STATES

Country	Risk of external debt distress	Risk of overall debt distress
Dominica	High	-
The Gambia	High	High
Grenada	In distress	In distress
Guyana	Moderate	Moderate
Kiribati	High	High
Lesotho	Moderate	Moderate
Maldives	High	High
Papua New Guinea	High	High
Samoa	High	High
Solomon Islands	Moderate	Moderate
St Lucia	Moderate	Moderate
St Vincent and the Grenadines	High	High
Tonga	High	High
Tuvalu	High	High
Vanuatu	Moderate	Moderate

Hope in the face of a crisis

With many CWSS facing a debt crisis and some at risk of debt distress, it is worth noting that a few have managed to maintain relatively low levels of debt during the pandemic. This includes Brunei and Darussalam who, despite facing an increase in debt during the pandemic, still managed to have virtually no public debt (2.85 per cent of GDP in 2020) due to its ample fiscal reserves. These fiscal reserves will be crucial in improving the country's ability to carry out long-term expenditures and in improving intergenerational equity (IMF, 2021c).

Additionally, Malta maintained its position of having one of the lowest debt-to-GDP ratios across the European Union. The four consecutive years of fiscal surpluses before the pandemic, combined

BOX 6: THE IMPACT OF THE DEBT SERVICE SUSPENSION INITIATIVE ON SMALL STATES

At various meetings, small states have been calling on the international community for **debt relief** and for **new ways of handling debt**. For example, in the Small States Forum communiqué (World Bank, 2020c), small states ministers suggested that we need to 'reengineer the way we look at debt financing so that it does not become **a constraint in dealing wit the COVID-19 pandemic** and other **development issues**'.

The G20-Paris Club Debt Service Suspension Initiative (DSSI) for the poorest countries, endorsed by the G20 ministers, is a positive step in this direction. Under this initiative, **73 developing countries were eligible for a suspension of debt repayments** to their bilateral creditors between May and December 2020. This was then extended to January 2021, allowing for approximately US$10.3 billion in relief to eligible countries.

A total of **15 of the 32 CWSS are eligible for the DSSI**. As of December 2021, 10 decided to participate: Dominica, Fiji, The Gambia, Grenada, Lesotho, Maldives, Papua New Guinea, Samoa, St Vincent and the Grenadines, and Tonga.

However, several small states are not eligible for debt suspension under the G20 initiative, including three that have especially high public debt and debt service burdens: Belize, Jamaica and Mauritius. Furthermore, some small states that did not participate in the initiative **exhibit a high risk of external debt distress**, including Kiribati and Tuvalu.

While the DSSI can provide a **short-term fiscal space** for small states currently facing liquidity problems and debt issues as a result of the pandemic, this is a fragmented way of addressing small states' **long-term debt situations** and their vulnerability to external shocks, especially in the face of climate change. Their issues go deeper than temporary liquidity problems due to the COVID-19 crisis, and the **heterogeneity of the debt situations** of small states requires tailor-made responses.

with a decline in its debt burden, has meant that the country was able to weather the pandemic relatively successfully. Similarly, compared to other African CWSS, Botswana maintained low levels of debt (20 per cent) supported by fiscal rules and a debt-to-GDP ceiling cap of 40 per cent, of which 20 per cent is domestic and 20 per cent is foreign (IMF, 2020). At the height of the pandemic, international financial institutions (IFIs) also contributed to trying to abate the debt crisis of many highly indebted countries, through the Debt Service Suspension Initiative. Despite this, challenges remain for many CWSS with long-standing debt issues (Box 6).

2.3 Human and social development aspects of the pandemic and implications for attainment of the SDGs

Poverty and inequality implications of COVID-19 in.CWSS

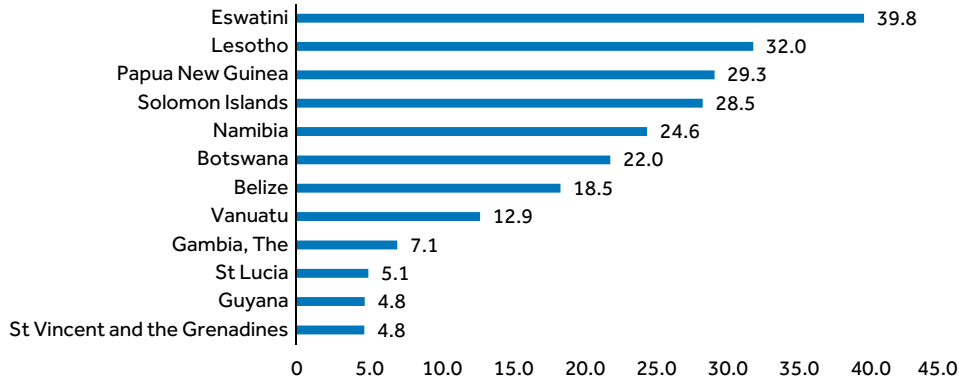
There is no denying that the COVID-19 pandemic has had far-reaching effects on economies globally. These effects have trickled down to the vulnerable tiers of society and created the 'new poor' (Box 7). Global poverty rose for the first time in 20 years by 120 million, reflecting a 144 million increase from baseline projections (World Bank, 2020d; Kharas, 2020) (Table 3). This phenomenon could

TABLE 3: CHANGES IN EXTREME POVERTY* DUE TO COVID-19 (ABSOLUTE AND AS A PERCENTAGE OF WORLD POPULATION)

Poverty	2019	2020	2021p	2030p
Pre-COVID-19	650,433,712 (8.4%)	621,931,609 (8.0%)	598,347,067 (7.6%)	536,923,904 (6.3%)
October 2020	646,806,659 (8.4%)	766,032,180 (9.9%)	726,524,822 (9.3%)	597,902,578 (7%)

Source: Kharas, 2020.
*Extreme poverty: living below US$1.99 per person per day.

FIGURE 19: CWSS WITH HIGH LEVELS OF EXTREME POVERTY (>3%)



Source: World Poverty Clock.

reverse development progress made over the past decades, inhibit achievements on SDGs on poverty and inequality, and have permanent effects on malnutrition, health and educational attainment.

In Jamaica, where the baseline poverty rate was 19.3 per cent, it is estimated that the 50,000 job losses in the tourism sector experienced during 2020 could increase poverty by 4 per cent (Cucagna and Johnson, 2020). While there is no recent data on poverty for Barbados and The Bahamas, it is also expected to rise above their baselines, again due to tourism job losses. For other CWSS, such as Botswana, Guyana, Solomon Islands and Belize, a notable increase in poverty is similarly predicted given already elevated poverty rates (Figure 19).

With the pandemic affecting the most vulnerable, it is also likely that income inequality has increased across CWSS because low-wage earners in CWSS are mostly employed in sectors such as tourism and hospitality services, and essential services such as nursing,

BOX 7: COVID-19 AND POVERTY IN COMMONWEALTH SMALL STATES

The poverty rate (below US$1.90 per person per day) in The Gambia increased from 8.4 per cent in 2019 to 9.2 per cent in 2020 – an additional 25,000 people. Meanwhile, in Eswatini the rate increased from 28.0 per cent to 29.4 per cent due to lower consumption.

In Botswana and Namibia and additional 103,000 and 200,000 people respectively have fallen below the $5.50 per day poverty line due to contractions in tourism and diamond mining.

For the two SIDS, Mauritius and Seychelles, the rise in unemployment caused by the contraction of the tourism sector will contribute to rises in poverty of 6.5 and 6.0 per cent respectively (at the $5.50 rate).

Fiji and Tonga have been affected by loss of livelihoods across the tourism and agriculture sectors due to COVID-19 and tropical cyclones, which depleted assets.

Source: World Bank Macro-Poverty Outlook (2020).

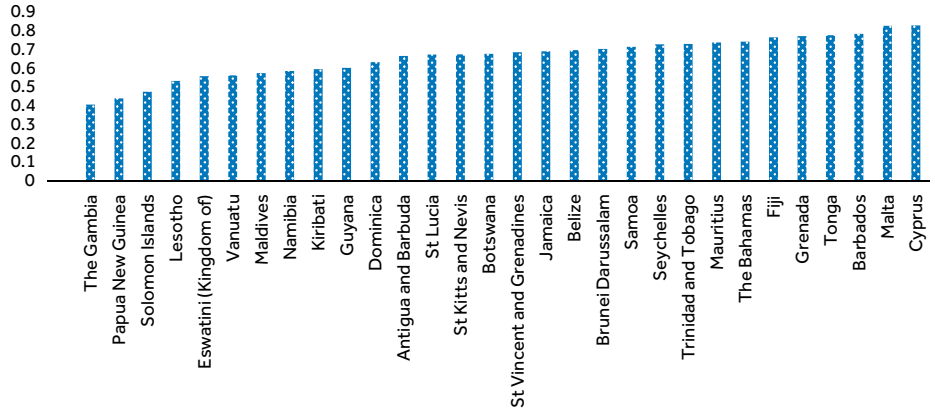
teaching and cleaning. Generally, low-wage earners in CWSS have been found to occupy jobs where they are more likely to have increased exposure to the virus (Goldin and Muggah, 2020).

Educational attainment and health outcomes

In response to the pandemic, over 188 countries across the globe implemented school closures affecting 1.6 billion children and youth (UNICEF, 2020). The implications of school closures were many. First, closures and cancellations of exams affected academic performance, leading to increased dropouts (Wood et al, 2020). Other negative externalities are estimated to include increased child marriages and child labour. Additionally, the closure of schools has had implications globally on school feeding programmes that benefited many school children, with 370 million children affected. Before the pandemic, 129 million children in the Asia-Pacific region were beneficiaries of school feeding programmes (WFP, 2021). It has also been estimated that over 50 million students in Africa lost access to free school meals (UNICEF, 2020).

To overcome the school closures, online classes were adopted. However, this was challenging for low-income countries, where access to ICT services is limited, and hence there were consequences for children from poor households. For the Caribbean CWSS access to computers and the internet is comparatively high, and since 2016 ownership of smartphones has been increasing steadily in that region (Wood et al, 2020). Other CWSS, such as Brunei and Darussalam and Cyprus, also fare well with regard to internet access, with 95 and 85 per cent of their respective populations using internet services (World Development Indicators). In this sense, the pandemic entrenched unequal education outcomes across the regions (see Figure 20) and amplified a digital divide among CWSS.

FIGURE 20: EDUCATIONAL INDEX IN SELECTED CWSS



Source: UNDP, Human Development Report (2020). Note: The index is calculated as the average of mean years of schooling (of adults) and expected years of schooling (of children).

BOX 8: COVID-19 AND HEALTH OUTCOMES

According to a report published by UNICEF (2020) at the start of the pandemic, the redirection of health funds to battle COVID-19 could have adverse effects on health outcomes.

It warned that an additional 6–7 million children could suffer from wasting or acute malnutrition, and that 2 million children could die.

It also predicted that 80 million children under the age of one, in at least 68 countries, could miss out on receiving life-saving vaccines, with 12 million children in sub-Saharan Africa (SSA) potentially failing to get vaccinated for polio.

An additional 124,000 children globally could be infected with HIV if prevention services in a scenario in which health services were to be disrupted for six months.

It was also estimated that 47 million women in low-and middle-income countries could be unable to access contraceptives, and 200,000 extra stillbirths could occur due to reduced access to health services.

Sources: UNICEF, 2020; UNFPA, 2020

When it comes to COVID-19 infections, CWSS have been successful in managing the pandemic. Pacific CWSS have been particularly effective in staving off the virus, with countries such as Nauru, Kiribati, Tonga, Tuvalu, Vanuatu and Samoa registering fewer than ten infections as of November 2021. However, despite CWSS managing to control the virus in their countries, the redirection of funding from other health services has had adverse effects. In particular, the pandemic is estimated to have impacted funding to improve malnutrition, maternal health and under-5 inoculation (Box 9).

The disproportionate impact of the pandemic on women and youth

The COVID-19 pandemic had a disproportionate employment effect on women and youth due to their

BOX 9: THE UNEMPLOYMENT EFFECTS OF COVID-19 ON WOMEN AND YOUNG PEOPLE

In 2020:

- youth unemployment fell by 8.7 per cent
- adult employment fell by 3.7 per cent.

Job market participation:

- among women fell from 52 per cent in 2019 to 46 per cent in 2020
- among men fell from 73 per cent in 2019 to 69 per cent.

Source: International Labour Organization data

being overrepresented in the hardest impacted sectors of the economy, such as tourism and informal work (Oxfam, 2021). This contributed to an increase in youth unemployment and a reduction in women's labour force participation rates (Box 10). Furthermore, as restrictions on movement across the globe endure, many women were also subject to exponentially increased rates of gender-based violence (up to 30 per cent in some countries) as many were forced to stay at home with their abusers during a time when most support services to survivors have been reduced or made inaccessible (UNDESA, 2021; UN Women, 2020).

COVID-19 and its implications for SDG attainment

As seen throughout this section, the COVID-19 pandemic brought on a slew of challenges that have affected socio-economic development in CWSS, potentially reversing any development progress that had been made and affecting progress towards SDG attainment (Box 11). COVID-19 has been added to the extensive range of exogenous shocks, such as climate change, natural disasters and commodity price fluctuations, facing small states.

BOX 10: COMMONWEALTH SMALL STATES AND THE SUSTAINABLE DEVELOPMENT GOALS

Asia and Europe

- Severe challenges remain in the attainment of Sustainable Development Goal (SDG) 2, on 'Zero Hunger', in Brunei and Darussalam.
- The same holds true for Malta, with Cyprus faring better.

The Caribbean

- Commonwealth small states in the Caribbean face challenges in relation to SDG2 on 'Zero Hunger'.
- Belize and Guyana are lagging on SDG3 on 'Good Health and Well Being', and Belize is also lagging on SDG4 on 'Quality Education'.

The Pacific

- Several Pacific countries are still facing numerous challenges, specifically in relation to the SDGs on 'No Poverty', 'Zero Hunger', 'Good Health' and 'Quality Education'.

Africa

- Mauritius and Seychelles have achieved SDGs on 'Zero Poverty' and 'Quality Education' respectively.
- Namibia and Botswana still have major challenges on SDG10, 'Reduced Inequalities'

Source: Sachs et al. (2021)

Chapter 3

Rebuilding CWSS Post-COVID-19

There is no doubt that the COVID-19 pandemic has dealt the Commonwealth small states a severe blow. Not only have they had to deal with pressures imposed by the pandemic, but their inherent vulnerabilities have been laid bare. This includes vulnerabilities to climate-induced shocks as well as structural challenges that have put CWSS in a precarious debt position. With uneven access to vaccines globally, the outlook for small states remains dire and, going further, steps should be outlined to foster recovery. Moreover, there is a need for joint efforts by CWSS governments and International Financial Institutions (IFIs) to help build back better. Looking forward, there are a few steps that could help fast-track and stimulate a socio-economic recovery in CWSS.

Increasing access to finance

IFIs must strive to enhance access to concessional financing for cash-strapped small states that are characterised by inherent vulnerabilities. This includes employing vulnerability as a condition for accessing finance as opposed to just income per capita.

Additionally, small states should explore alternative and innovative forms of financing to help bridge the existing financing gaps. This includes exploring, for example, blue and green bonds. Tapping into diaspora financing can also be a way to bridge the financing gap, with studies showing that the diaspora of developing countries holds a wealth of savings that can be leveraged into tangible investments.

Tackling the socio-economic effects of the pandemic

With the pandemic ongoing and new variants emerging regularly, there is a need to advocate for greater vaccine access for CWSS. This will help fast-track the revival of tourism, which will stimulate economic growth and recovery in affected CWSS.

To support households and individuals that have lost their livelihoods, there is a need to scale up social cash transfers to benefit more vulnerable groups. This entails enhancing targeting and identification, as well as delivery mechanisms of social support. To this end, the use of technology such as mobile money and other fintech tools provides an opportunity to reach many people in less accessible areas.

Grappling with climate change shocks

Both short and long-term recovery efforts should prioritise investments that boost jobs and economic activity, have positive impacts on human and natural capital, and protect biodiversity and ecosystem services, as well as advance the decarbonisation of economies (World Bank, 2021d).

Countries could also benefit from investing in the blue and green economy, with a focus on encouraging blue-green tourism. This entails extensive research and development to build a self-sustaining and

environmentally sustainable blue and green economy. This can also be done by encouraging private-sector investment in areas that promote biodiversity conservation and reduce ecosystem degradation while simultaneously generating growth (Meddeb, 2020).

As fisheries constitute an important part of CWSS' livelihoods, it will be crucial that, in the short term, fisheries become 'climate-smart' (FCDO, 2021). This could be done by avoiding destructive fishing practices and moving to sustainable types of fishing and helping to remove the pressure on overfished reefs, as well as encouraging diversification in livelihoods for individuals (FCDO, 2021). In the long term, creating climate-proof infrastructure through restoring natural sea defences will help to increase coastal protection in areas where they are currently degraded, allowing for protection against more extreme weather events.

Developing domestic renewable energy markets and increasing energy efficiency will also be crucial in going forward from COVID-19. Many CWSS depend on petroleum to meet their energy needs, meaning that they experience high electricity costs, supply interruptions and vulnerability to oil price shocks (IISD, 2021). Therefore, moving towards more sustainable ways of producing energy that are reliant on domestic markets is becoming increasingly pressing.

Abating the looming debt crisis

In light of the pandemic, there is a need to focus on debt relief and debt sustainability. IFIs could enhance debt relief to highly indebted countries that are in debt distress and at risk of debt default. In addition to this, a re-assessment of the long-term debt sustainability for CWSS needs to take place to help them maintain their debt repayments.

Furthermore, to tackle the liquidity issue brought on by the pandemic, the OECD recommends that the Development Assistance Committee can target their financial and technical support towards:

- Mobilising additional domestic resources
- Building capacity to use innovative solutions, such as access to climate funds or debt swaps
- Improving debt transparency
- Strengthening debt management, such as facilitating a systematic adoption of de-risking clauses and mechanisms when negotiating private debt; and
- Encouraging the adoption of qualities of investment principles, to promote higher-quality investment for a higher return on loans.

To get back on track, small states will need to rebuild fiscal buffers, protect viable businesses and invest in diversification as well as new and innovative drivers of growth. The implementation of debt swaps, debt exchange or conversion programmes and voluntary sovereign debt buybacks will be the first steps in helping CWSS move towards long-term debt sustainability (OECD, 2021).

Supporting the recovery of the tourism industry

Among all the sectors that have been impacted by the pandemic, it is safe to say the tourism industry has suffered the most. This culminates from the fact that the first line of action to respond to the pandemic involved shutting down borders, affecting tourism establishments across the globe. Commonwealth small states, particularly small island developing states (SIDS), have borne the brunt of the effects. Revenues have been lost, jobs decimated and foreign exchange reserves negatively affected.

Recognising the role of tourism for CWSS and the losses that ensued from the pandemic, it is vital to map out clear and tangible solutions to build a more resilient tourism industry. In this regard, the special topic of this edition of the SSB focuses on tourism, which is in the next section of this report. It outlines the challenges faced by Commonwealth SIDS in the wake of the pandemic and outlines several actions that can be taken in the short and medium to long term.

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Part II:

Tourism and COVID-19: Mapping a Way Forward for Small States

Tamara Mughogho and Devyn Holliday

Chapter 4

Introduction

The global tourism industry plunged in 2020 after the COVID-19 pandemic hit.* The sector's demise has had far-reaching effects, particularly for small states, which depend on it almost exclusively for foreign exchange inflows and a large proportion of their gross national income. Of the economic, social and environmental impacts, the most severe has been in employment, where an estimated 100–120 million direct tourism and hospitality jobs have been threatened by the crisis (UNWTO, 2020). While larger countries, such as the USA, France and Spain, have suffered the highest revenue losses in absolute terms, the countries that have been dealt the largest blow are those where tourism GDP contributions are the largest. These include Commonwealth small states such as Antigua and Barbuda (7.2 per cent GDP loss), Maldives (6.9 per cent GDP loss) and Grenada (5.5 per cent GDP loss) (Johnson, 2020).

Now into its third wave in some parts of the world, COVID-19 has again forced governments to close borders, suspend flights and call most non-essential business activities to a halt. As a result, global GDP, at the time of writing, is projected to decline by 3.5 per cent, with millions of jobs lost in the process (IMF, 2021). In Europe, for example, a major tourist source market for many Commonwealth small states, restrictions on recreational activities and entertainment have already been reinstated. Though necessary, this second round of containment measures is likely to deepen economic damage, particularly in the tourism sector. One-third of the workforce in small, tourism-dependent nations is employed in tourism, which provides a vital source of income from both informal and formal enterprises (Burton, 2020). Additionally, small states' governments depend heavily on the sector, not only for foreign exchange but also for revenues generated through taxes on tourism-related income, through imports of tourism-related goods and ancillary services.

Unfortunately, standard policy tools (such as fiscal and monetary policy) may not be enough to overcome the decline in tourism, which calls for policies aimed at stimulating tourism demand and restoring traveller confidence – the success of which depends on the situation in source markets for tourism. The international financial institutions (IFIs), while providing crucial liquidity, are also not armed with enough financial capital to completely stem the sector's losses. All hopes are now squarely placed on the COVID-19 vaccine, which will likely arrest, at least in the short term, the contraction in tourism, which is now predicted to rebound to pre-COVID-19 levels in two and a half to four years (UNWTO, 2021). For instance, there is already much uncertainty over vaccine uptake,

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which means that tourism-dependent countries – and particularly small states – will have to continue to explore new and innovative means to resuscitate the tourism industry. It may also take a while for the vaccine to reach most small states, which could hamper tourist-related sectors.

In an attempt to advise tourism-dependent governments, this paper first briefly reviews the importance of the sector to small developing countries. It then looks at the impact of COVID-19 on international tourism, livelihoods and other business activity to enable an understanding of the current challenges facing small states. Finally, after drawing on evidence from past tourism shocks, such as the SARS epidemic and the 9/11 terrorist attacks in the USA and following a review of current policy initiatives in tourism destinations to tackle the sector's decline, it outlines a set of recommendations for resuscitating the tourism sector in the short, medium and long term.

Chapter 5

The Importance of Tourism in Commonwealth Small States

Small states receive upwards of millions of overnight guests per year. For instance, it is estimated that, as of 2019, the Caribbean saw 26.3 million international tourist arrivals in 2019 and generated US$35 billion in international tourism receipts (UNWTO, 2021). This reflects the situation for tourism in many small states, where its contribution to total GDP can be over 30 per cent (World Development Indicators), for example in countries such as Antigua and Barbuda, Maldives and Dominica (Figure 21).

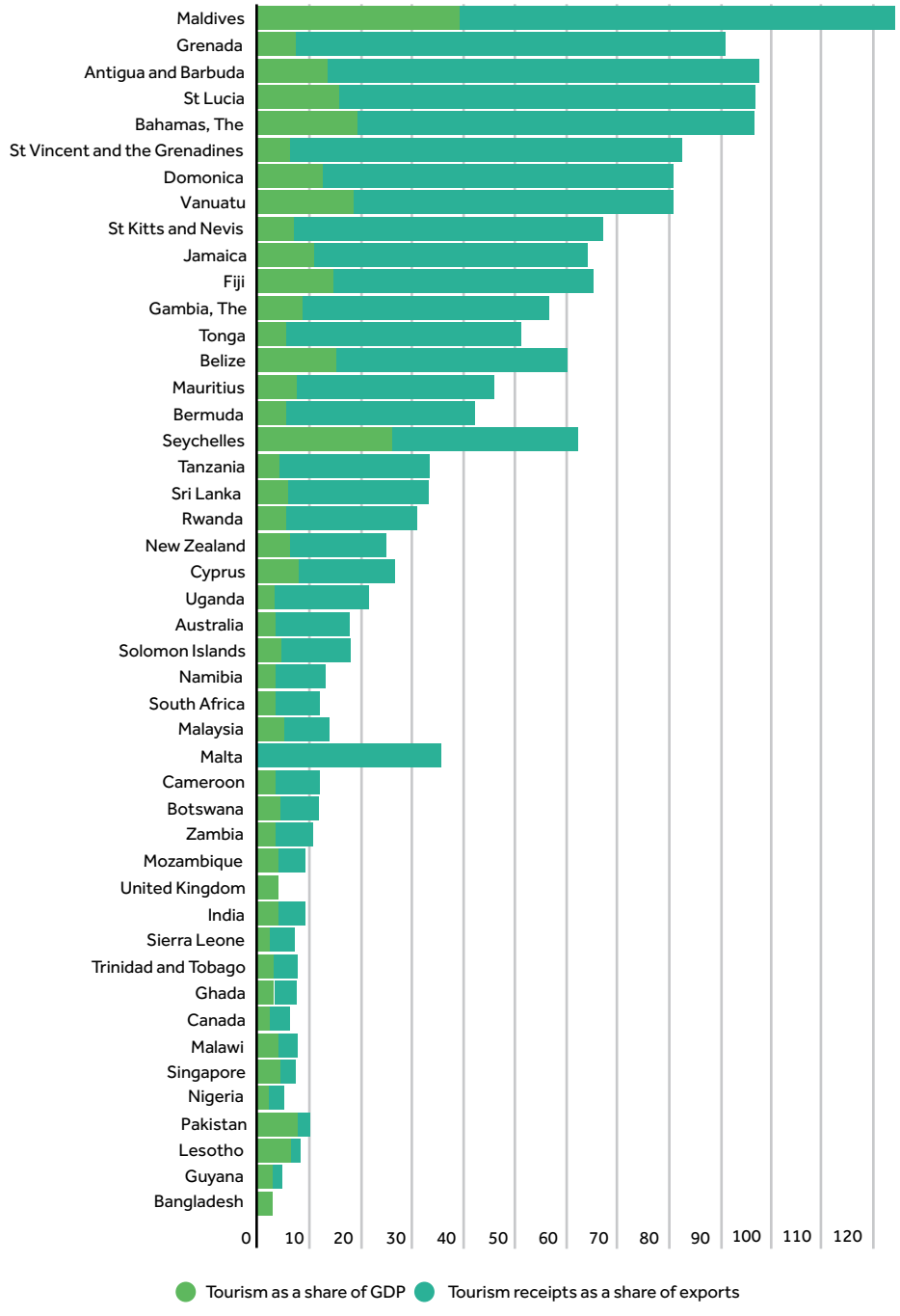
In small states, tourism is one of the most, if not *the* most, important sources of foreign exchange earnings and government revenue. The sector generates land rents and revenues from green, service and departure taxes, all of which deliver much-needed fiscal space. In countries like the Maldives, which is almost entirely dependent on tourism, tax revenues from tourism activity make up 39.8 per cent of the government's total tax intake (Maldives Ministry of Tourism, 2018). Tourism tax revenues thus play a critical role in supporting small states' development programmes and policies. Revenue receipts from tourism are also vital to maintaining a healthy balance of payments position (CDB, 2018).

In 2019, tourism jobs, both directly and indirectly linked to the industry, accounted for one in ten jobs globally – or about 330 million jobs worldwide. For every tourism job, nearly 1.5 additional jobs are linked indirectly to tourism. For many small states, employment in tourism, both direct and indirect, accounts for 10–66 per cent of total employment (Figure 22) (WTTC, 2020a; ILO, 2020a). Furthermore, with up to 54 per cent of those employed globally in tourism (UNWTO, 2019) being women, the sector also fosters women's empowerment and enhances inclusive growth.

Tourism presents numerous backward and forward linkages for many sectors, through restaurants, cafés, laundry services, cultural centres and sports facilities (Scheyvens and Russell, 2009). Tourism also provides opportunities for entrepreneurship through the participation of local tour guides and travel agencies and promotes domestic retail services. In addition to these readily observable spill-over effects, tourism provides stimulus for the agriculture sector, from which many small African states benefit (Zappino, 2005; Scheyvens and Russell, 2009). This arises from the demand for food and beverages, which stimulates production and fosters agricultural development and innovation, providing income for both large-scale and smallholder farmers.

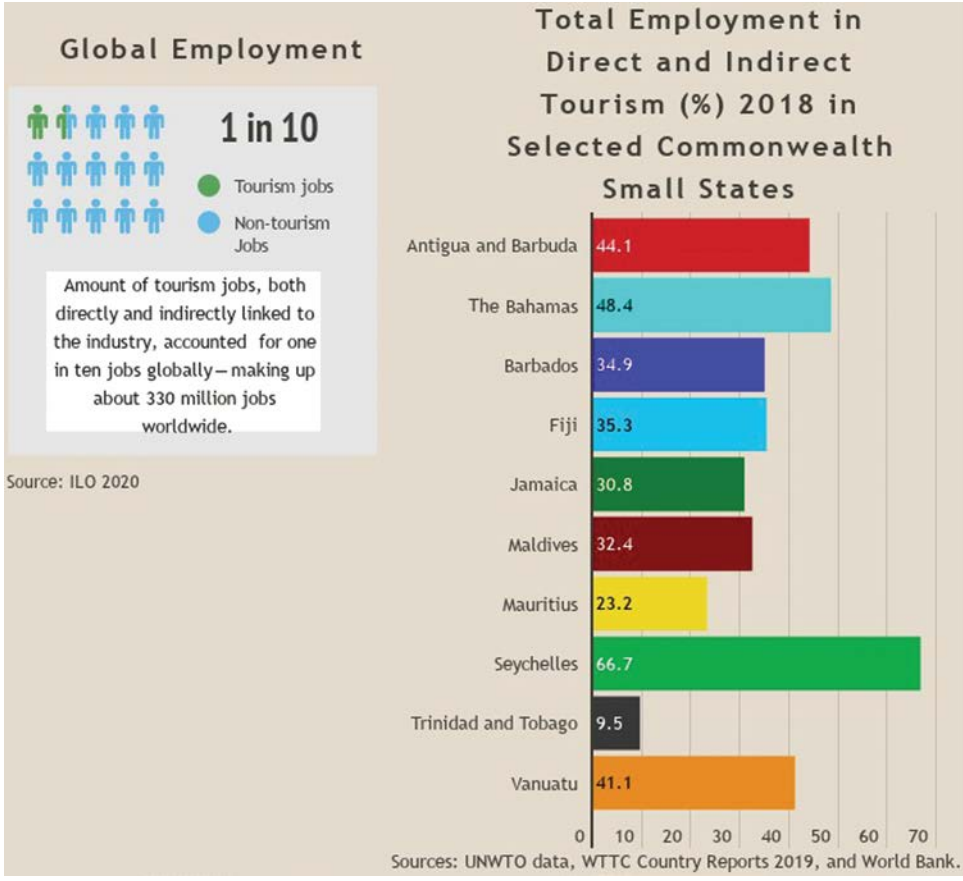
Tourism also stimulates infrastructural improvements by promoting the installation of good road and rail networks, which enhance connectivity and bring in further economic development. Furthermore, with the increased demand for foreign exchange

FIGURE 21: ECONOMIC CONTRIBUTION OF TOURISM IN SELECTED COMMONWEALTH STATES



Source: World Development Indicators.

FIGURE 22: TOURISM AND EMPLOYMENT IN SELECTED COMMONWEALTH SMALL STATES



Source: UNWTO, WTTC country reports 2019 and World Bank.

and travel insurance that comes with it, tourism also promotes financial sector development. In this effort, firms are motivated to continue innovating to provide the best available services in a competitive market.

Apart from these benefits, tourism also contributes to the policy and economic reform environment, helping facilitate small and medium enterprise (SME) development and stimulate foreign investment, as well as other sectors, such as real estate, communications and finance (Christie et al., 2013).

Tourism value chains can also make an important contribution to pro-poor and inclusive development through such linkages. For some countries, tourism can also support economic transformation: the sector has been central in helping countries graduate to middle-income status. This has been the case in Maldives and Samoa (World Bank, 2017b). Lastly, tourism is an avenue for those in the informal unskilled sector to become services exporters through retailing craft items, tour guide services and heritage and cultural experiences (Kampel, 2020).

Chapter 6

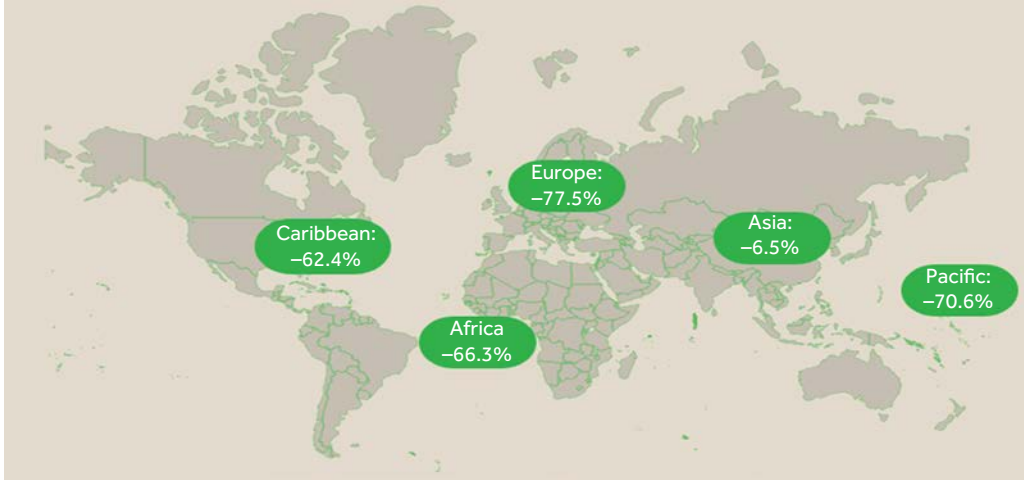
The Impact of the COVID-19 Pandemic on Tourism

6.1 Overview of macro-level effects

As a result of the public health response and the behavioural changes required to slow transmission of the virus, service sectors reliant on face-to-face interactions – such as tourism, dining, the arts, entertainment, wholesale and retail trade – have seen large contractions (IMF, 2020b). Flight departures have decreased by roughly 80 per cent on a year-on-year basis as of May 2020, while restaurant and hotel bookings have declined by 90 per cent and 70 per cent, respectively (MacDonald et al., 2020). In March 2020 alone, arrivals were down by 57 per cent from the same time in the previous year, equating to a loss of 64 million travellers, valued at US$80 billion in receipts (UNWTO, 2020c).

Trends indicate that the Asia-Pacific region of Commonwealth small states has been hardest hit, as the first region to endure the spread of the pandemic, seeing a 65–70 per cent decrease in arrivals between January and August 2020 (UNWTO, 2020d) (Figure 23). In this region, 63.4 million jobs had been lost by August 2020 and GDP has declined by US$1,041 billion (WTTC, 2020a). Africa also suffered a significant (66.3 per cent) drop in arrivals between January and August, and job losses of 7.2 million, amounting to a US$52.8 million reduction in GDP (UNWTOd,

FIGURE 23: COMMONWEALTH SMALL STATES INTERNATIONAL TOURIST ARRIVALS BY REGION, JANUARY–AUGUST 2020 (YEAR TO DATE PERCENTAGE CHANGE)



Note: Not all data for all Commonwealth small states were available up until August 2020. Source: UNWTO.

2020; WTTC, 2020a). The Caribbean experienced a 62 per cent decline in arrivals (UNWTOd, 2020) and a decrease in GDP of US$26.4 billion. Concerning job losses, in relative terms the Caribbean region fared worse, with 1.2 million jobs lost, reflecting a 20.9 per cent decrease in labour hours – almost double the global estimate of 11.7 per cent (UNWTOd, 2020; ILO, 2020b).

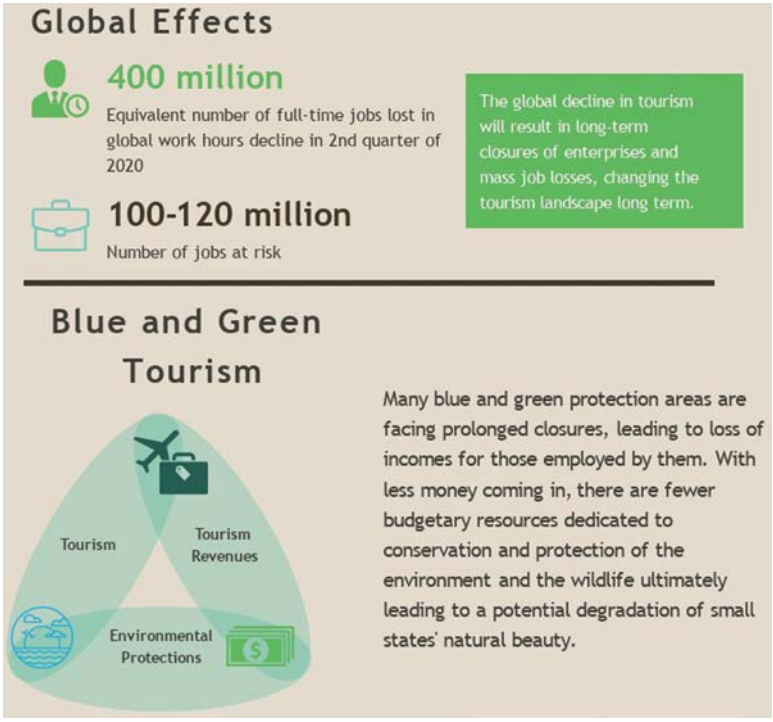
Loss of economic activity in many countries' tourism sector has led to sharp revenue contractions. In Maldives, revenues have shrunk by 23.4 per cent (World Bank, 2020b), and in Fiji, by April 2020, tourism revenues had declined by 59 per cent: a decrease of 17 percentage points, more than the fall observed in Fiji's non-tourism revenues (IFC, 2020).

6.2 Loss of livelihoods and costs for the blue and green economy

Decreased demand for tourism facilities has led to business closures and job losses, stripping away vital sources of income for many formal and informal workers reliant on tourism. This includes hotel employees, independent tour guides and sellers of arts and crafts. Globally, there are 100–120 million direct tourism jobs at risk (UNWTO, 2020c). Of these, accommodation and food services have been the most affected activities, with a loss of 33 per cent and 17 per cent of working hours respectively in the second and third quarters of the year (ILO, 2021). Overall, in the first quarter of 2020, the global decline in work hours was equivalent to 155 million full-time jobs lost. This loss deepened in the second quarter of 2020 compared with the last quarter of 2019 and equated to a reduction of 400 million full-time jobs (Figure 24) (IMF, 2020b). In Fiji, 27 per cent of employees in tourism report having reduced hours or days, 25 per cent are on leave without pay and 8 per cent have been made redundant (IFC, 2020). In Mauritius, 88 per cent of survey respondents stated that their salary had been reduced, 29 per cent were going to be laid off and 4 per cent had already been laid off (Deloitte, 2020).

In addition to eroding households' sources of income, decreased livelihoods have implications for conservation efforts and the sustainability of the blue and green economy. This holds for African small states, in many of which tourism is driven by natural and wildlife attractions and wildlife tourism employs up to 9.3 million people (ETN, 2020; Sebunya, 2020). As a result of COVID-19, many wildlife parks are facing prolonged closures, leading to losses of incomes for those employed and decreased demand for tour guides. With less money coming in, there are fewer budgetary resources dedicated to conservation and less protection of the natural environment. Loss of livelihoods is also accelerating the unsustainable use of natural resources – there is an increased incidence of poaching, for example, as households look for food and alternative income sources

FIGURE 24: EFFECTS ON LIVELIHOODS AND BLUE AND GREEN TOURISM



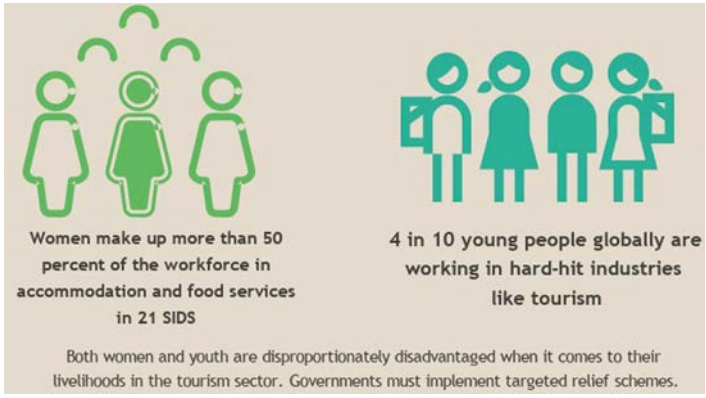
in Africa, Asia and Latin America (UNSDG, 2021).

For SIDS in the Caribbean, Indian and Pacific oceans, tourism is an essential provider of funding to marine protected areas and conservation efforts. About half of all tourists choose coastal destinations and, therefore, marine and coastal tourism provides SIDS with more than half of their national income (UNCTAD, 2020a). Tourism not only helps bring in revenues to protect marine areas but also stimulates livelihoods grounded in the blue economy. Contributing US$1.5 trillion to the global economy (OECD, 2016), millions of people are dependent on ocean tourism for their livelihoods. Ultimately, the COVID-19-related loss of revenue will not only impede environmental protections but also plunge many who work in this industry further into poverty.

6.3 Gender-based and intergenerational effects

Women have perhaps been the hardest hit by this sudden shock to international tourism. Women make up more than 50 per cent of the workforce in accommodation and food services in 21 SIDS across the Pacific, Caribbean and Indian oceans (UNWTO, 2020b). An estimated 42 per cent of informally employed women work in severely affected sectors such as tourism, compared with about 32 per cent of men in informal employment (IMF, 2020b) (Figure 25). Compounding this

FIGURE 25: THE GENDERED AND INTERGENERATIONAL EFFECTS OF THE PANDEMIC



vulnerability is the fact that many of these women work in micro, small and medium enterprises (MSMEs), which are less likely to have enough capital to retain their employees. Consequently, MSMEs are impacted disproportionately. In Fiji, for example, MSMEs involved in tourism have lost seven times more income than MSMEs in non-tourism sectors (large tourism-related businesses have lost twice as much income as large businesses in non-tourism sectors) (IFC, 2020). For affected women, economic independence has been directly impacted by a loss of work in both formal and informal sectors (CARE International, 2020), while lockdowns are overburdening women with increased household responsibilities.

This trend is echoed in youth populations, which are also often dependent on tourism for their livelihoods. As tourism tends to absorb those disadvantaged by the labour market and workers with limited skills levels (ILO, 2020a) youth tend to be overrepresented, working in both formal enterprises, such as hotels and restaurants, and informal areas like local markets and handicraft stalls. A total of 178 million young workers, more than four in ten young people globally, are working in hard-hit industries such as tourism and food services (ILO, 2020c) (Figure 25). Meanwhile, aside from being overrepresented in tourism, almost 77 per cent (328 million) of young workers were working in informal jobs at the start of the crisis, compared with 60 per cent of adult workers (aged 25 and above) (ILO, 2020c). As the pandemic has progressed, 42 per cent of young people have indicated a decline in their income. Their status as the youth makes their situation particularly tenuous; they are more likely to fall into poverty as a result of this crisis as they have fewer savings and assets to fall back on (OECD, 2020a).

These many challenges are leading to a substantial threat of a 'lockdown generation' of youth that will feel the ramifications of the pandemic for many years to come (ADB, 2020; ILO, 2020c). In small states that are

particularly dependent on tourism, youth unemployment rates are expected to double the 2019 estimates at minimum, even in a scenario where COVID-19 is contained quickly (ILO, 2020c). The effects facing youth working in tourism risk deepening the already significant inequity in small developing nations.

6.4 Impacts on related sectors

Apart from contributing directly to the economy in many countries, tourism also plays an indirect role in the daily functioning of nations. This is through the presence of backward and forward linkages, or as a source of demand and supply to other sectors (Cai et al., 2006). Hence, while tourism is often a principal industry, it is also the driving force of demand for a whole slew of others, from transport to agriculture (Mensah, 2020). Because of decreased demand for travel and tourism, cultural centres have lost business, sporting activity has ground to a halt and the entertainment industry has suffered a significant blow. Decreased activity in tourism has affected catering, food, beverages and laundry services (Gössling et al., 2020).

Agriculture, transport, food and natural resource extraction (to name a few) have backward linkages to the tourism industry, as they supply its critical inputs. With the slump in demand for international and domestic tourism, sectors that provided inputs to tourism are now facing decreased demand themselves, leading to systemic weakened demand across multiple sectors. At the other end of the spectrum, decreased activity in other sectors is likely also to have adversely affected tourism, through reduced disposable income leading to a lower demand for tourism.

There is a similar slump in demand in sectors forming forward linkages. With smaller tourist inflows, sectors such as clothing, retail and food services are expected to experience a contraction in demand in the coming months (Mensah, 2020). These slumps will hit all small states differently, depending on the demographics of their domestic population and the extent and duration of the COVID-19 outbreak at source and in their main source markets. For low-income small states and those with high inequality, tourism and its related sectors will experience a large decline; the cost of tourism entities such as accommodation, food and excursions have been geared towards wealthier foreign visitors rather than the local population, making it difficult for locals to afford.

6.5 Implications for the short and medium term

Overall, the World Tourism Organization (UNWTO) found that at the end of 2020 there were 1 billion fewer international arrivals, amounting to a US$1.3 trillion contraction in total export revenues, a US$2 trillion contraction in direct tourism contribution to GDP equivalent to 2 per cent of the world's

GDP and over 100 million to 120 million job losses. Consequently, global growth in 2020 was expected to recede by 4.4 pr cent, whereas the value of global GDP in 2021 is projected to be just 0.6 per cent higher than in 2019 as a result of the protracted social distancing measures that are anticipated to continue despite a COVID-19 vaccine coming on stream (IMF, 2020b). In its October 2020 report, the IMF suggested this would ultimately lead to a reversal of the progress made in poverty reduction and inequality since the 1990s (IMF, 2020b).

By the end of 2020, UNWTO projects that tourism receipts could fall by 73 per cent, with losses in tourism trade balances ranging between 2 per cent and 6 per cent of GDP (IMF, 2020b). This effect will be magnified for large net tourism exporters as they are predicted to incur greater declines in economic activity during 2020–2021 compared with pre-COVID-19 forecasts (IMF, 2020b). Countries such as Botswana could face a decrease in GDP of up to 9.1 per cent, as COVID-19 constrains output in the country's key sectors, including the diamond industry and tourism (World Bank, 2020a). In The Gambia, accommodation and airport transfer receipts could suffer a loss of US$5.94 million, and the overall economy will potentially lose receipts of $108.5 million (0.07 per cent of GDP) from tourism if COVID-19 is not contained (UNDP, 2020).

Similarly, Caribbean countries could suffer losses ranging between US$27 billion and US$44 billion from tourism losses in the best- and worst-case scenarios, where tourism already contributes US$59 billion each year (Lopez, 2020). Domestic demand is expected to recover faster than international demand. According to the latest UNWTO Panel of Experts survey, the overall prospects for a rebound in 2021 seem to have worsened. Fifty per cent of experts now expect a rebound to occur only in 2022 and the remaining half of respondents still see a potential rebound in 2021, mostly during the second half. Most experts do not see a return to pre-pandemic levels happening before 2023 (UNWTO, 2021). Meanwhile, although Pacific countries were quick to restrict travel at the onset of the pandemic, they are likely to bear the brunt of the economic burden. Economic growth in Papua New Guinea is expected to contract to 0.8 per cent from 4.8 per cent in 2019 (ADB, 2020). Likewise, economic growth in Solomon Islands and Vanuatu will likely contract to 1 per cent and -1 per cent, respectively, in 2020, from 2.6 per cent and 2.8 per cent in 2019 (ADB, 2020).

SIDS are facing especially steep contractions economically because tourism provides a high proportion of their foreign earnings. The United Nations Department of Economic and Social Affairs estimates SIDS economies to have contracted by 6.8 per cent in 2020 as compared to 4.3 per cent for the world economy (UNDESA, 2021). SIDS such as Fiji, Samoa and Tonga are facing larger

economic contractions of 12 per cent, 18.7 per cent and 8 per cent, respectively, as a result of their higher dependence on tourism (Vickers et al., 2020). The economies of the African small states, including Seychelles and Mauritius, are set to shrink by at least 7 per cent (Maniga, 2020).

The scale of the impacts for affected countries has largely been determined by countries' proximity to the epicentres of the pandemic, as well as the extent to which their tourism source markets were adversely affected. As the pandemic endures and the epicentres switch to the Americas, Caribbean countries, in particular, will experience protracted declines in visitors, ultimately delaying the recovery process (Amaro, 2020).

Chapter 7

Current Responses to the Pandemic and Lessons From Past Crises

7.1 Country responses to the pandemic

Many countries have been quick to act to minimise the effects of the pandemic on the tourism sector. Though the immediate response has varied, most policy responses have involved wage assistance and support to help resuscitate tourism demand (Box 11). Some major hotel chains have adopted flexible hours, extended paid leave, shortened work weeks, introduced job rotations and, in some cases, offered to furlough employees (Clarke, 2020). Smaller firms, with less capital and liquidity, have not been able to be as supportive.

At the macro level, the immediate line of action for many governments has been to implement conventional fiscal bailouts, and central banks have been accommodating to help stimulate the economy. More than 144 countries have adopted fiscal and monetary measures (UNWTO, 2020b). Examples include The Bahamas, Barbados and Botswana, where fiscal policy has included: increased funding for income support for the self-employed; grants to assist with payroll expenses; wage subsidies; and a tourism-sector stimulus in the case of Barbados. Monetary policy and macroprudential measures implemented have included reducing the bank rate and providing deferred payments on credit and loan restructuring (IMF, 2020d). Lessons can also be learned from larger countries that have implemented various tax schemes to support their economies. Canada has provided tax deferrals and postponed individual tax filing dates and Australia has implemented a tax-relief package (IMF, 2020d).

Some policies are working very well. Included amongst these is Barbados's Welcome Stamp Visa, which, by the end of October 2020, had received 1,693 applications (a mix of groups and individuals), accounting for 2,796 people in total (Hosie, 2020). With a US$2,000 application fee for individuals, and $3,000 for those bringing their families, the visa alone is bringing in much-needed revenue that can be used for government spending. Another success is Namibia's Emergency Income Grant, which has allowed, for the first time, people who are unemployed or informally employed to receive direct financial assistance from the state (IPPR, 2020). Ultimately, as many of the policies are new or recently implemented, the measure of their true impact will be determined in the coming months.

7.2 The response by regional and international bodies

The UNWTO has played a significant role in developing advice for countries seeking to reopen, advocating for

BOX 11: POLICIES IMPLEMENTED BY VARIOUS COUNTRIES

In a bid to rescue the drowning tourism sector, several countries have put in place various initiatives aimed at revitalising the sector. Most of these initiatives have been targeted at protecting tourism employees, as outlined below.

Cyprus approved a fund for actions to support tourism in co-operation with airlines and travel operators, as well as actions to boost tourist demand from October 2020 to March 2021.

Mauritius implemented a monthly 600 million rupee wage-assistance programme to assist hospitality workers (UNESCAP, 2020) and announced that the training levy will be temporarily reduced from 1.0 per cent to 0.5 per cent for operators in the tourism sector. A similar training fee reduction has been adopted by **Singapore**.

Namibia announced a wage subsidy for hardest-hit sectors, and the government will provide a wage subsidy to aid businesses in retaining jobs in the tourism, hospitality, travel and aviation, and construction sectors.

In countries like **The Bahamas**, **Barbados** and **Botswana**, fiscal policy included: increased funding for income support for the self-employed; grants to assist with payroll expenses; wage subsidies; and a tourism sector stimulus in the case of Barbados. Monetary policy and macroprudential measures implemented included reducing the bank rate, providing deferred payments on credit, and loan restructuring (IMF, 2020).

Seychelles has allocated a special fund to the Unemployment Relief Scheme.

Vanuatu implemented an Employment Stabilization Payment scheme that gives employers up to 30,000 Vt (US$262) per employee for four months (Howes and Surandiran, 2020). The total expenditure of this scheme is valued at US$26 million, the equivalent of 2.6 per cent of the nation's GDP.

Samoa and **Tonga** have topped up pensions, while **Fiji** is contributing funds only if there aren't enough funds in the affected worker's account (Howes and Surandiran, 2020).

Solomon Islands specifically set aside funds set aside for women's employment retention (Ibid),

uniform travel regulations to guide the effort in the short term. The UNWTO Global Guidelines to Restart Tourism will help inform travellers on what is expected of them concerning personal protective equipment, social distancing and testing requirements during every leg of their trip. To encourage more visitors to small states that are particularly tourism-dependent, the UNWTO also suggests a temporary visa cost exemption, to create higher demand and enable ease of access. Lastly, travel restrictions and protocols should be revised regularly using the most up-to-date information from global health authorities, so that countries allow access to their tourism markets only to those from countries that have their COVID-19 outbreaks under control, while ensuring the health and safety of their domestic population (UNWTO, 2020a).

The UNWTO also recommended that private-sector companies establish internal COVID-19 taskforces (UNWTO, 2020a). Following this suggestion, multi-stakeholder tourism recovery task forces were established in small states such as Antigua and Barbuda, and Jamaica (Baptiste, 2020; Jamaica, Observer 2020). These were tasked with monitoring and evaluating the implementation and execution of health protocols and service delivery.

The World Bank has allocated funding to support the emergency response in affected countries. It has also provided support to social protection programmes and mental health support to help countries deal with the psychological losses arising as a result of lockdowns and job losses (World Bank, 2020e). The IMF has scaled up and accelerated its financial support to protect the most vulnerable, in addition to providing policy advice, capacity development and debt relief for the poorest countries (IMF, 2020c).

7.3 Lessons to be learned from past pandemics and crises

Important lessons can be drawn from past crises such as the 9/11 attacks and the SARS and Ebola pandemics, which had large impacts on tourism. Although these crises had different elements to the COVID-19 pandemic, they generated a common phenomenon of a diminished desire to travel, and countries had to come up with solutions to stimulate demand, much as they will with the current pandemic.

The 2014 Ebola epidemic had negative implications for travel and tourism across the African continent. The World Travel & Tourism Council (WTTC) earmarked crisis preparedness as one of its three priorities and collaborated with the World Economic Forum and the World Health Organization to map out a way forward for Ebola-affected countries (WTTC, 2018). Countries themselves responded in various ways to revitalise their tourism industries. For instance, hotels in The Gambia introduced incentives by discounting hotel rates by up to 20 per cent, and airlines provided subsidised seats (Novelli et al., 2018). The government also agreed to a reduction in landing charges to ease pressure on local businesses involved in tourism. Sierra Leone's tourism revival strategy involved relaunching media campaigns aimed at tourists (Government of Sierra Leone, 2015).

Lessons learned from the SARS epidemic that can be applied to the COVID-19 response include the need to implement hygiene and infection-control standards to minimise risks of further disease spread, and to explore options to leverage tourism assets (Dalberg, 2020). For instance, during SARS Hong Kong converted empty hotel rooms into offices for rent, and hotels offered food-delivery services to use kitchen staff and provided cleaning services using housekeeping workers. Rather than letting tourism

infrastructure stagnate and fall into disrepair, small states can adapt it to a multitude of alternative uses that will allow revenue to come in while they wait for tourism to rebound.

After the 9/11 attacks, many countries opted to ease accessibility for tourists. One such measure that could be introduced in small states was the lowering of regulatory barriers for international visitors, making it easier for them to visit (Bonham et al., 2006). One lesson from 9/11 is that, in resuscitating the tourism industry, it is important not to make travel more strenuous. In the USA, the harsher security screening processes introduced post-9/11 have made the country a less-attractive destination for tourists (Baker, 2014). Meanwhile, Singapore introduced visa waiver agreements with over 150 countries, which saw its travel recover quickly from external terrorist shocks

FIGURE 26: FACTORS NECESSARY FOR BOOSTING TOURISM WITH LESSONS LEARNED FROM PAST PANDEMICS AND CRISES

Source: Novelli et al, 2008; Dalberg, 2020; Bonham et al, 2006.

(Edmonds and Mak, 2006). Figure 26 provides a summary of factors and conditions necessary for boosting tourism demand after a crisis based on the lessons drawn from previous crises.

In the face of crisis, it is also imperative that countries be proactive rather than reactive by having contingency and disaster risk recovery plans and establishing risk management protocols (Misrahi, 2016).

Some Caribbean countries have been able to adapt existing crisis response mechanisms and lessons learned from recurrent natural disasters and climatic events to put in place mitigation measures for the COVID-19 pandemic (Kampel, 2020). Ultimately, the better-prepared countries are for disaster and pandemics the more quickly they can recover, incurring fewer damages.

Chapter 8

Policy Recommendations for Building Back Better

The crisis highlighted the need to reshape the structure of the tourism economies. A revamped value chain approach, including harmonised health and safety protocols along with innovative and digital solutions, could indeed lead to more resilience and competitiveness, a more conducive business environment for MSMEs, and reduction of leakages.

8.1 Short-term recommendations

Restoring tourism and traveller confidence

To resuscitate their tourism industries and restore traveller confidence, governments must enhance the implementation of guidelines and standards outlining the minimum safety and hygiene requirements for businesses. While there has been progress on a vaccine, the progress on the vaccines has varied across the globe with uneven roll-out globally. As such, efforts towards safeguarding the health of travellers and employees in the tourism industry must continue. Regular and strict enforcement of safety guidelines is vital, and there must be collaborative efforts to ensure efficacy. This calls for bilateral, regional and international co-operation to set standards that must be adhered to if international travel and tourism is to rebound safely for all stakeholders. These efforts will complement the existing testing, monitoring and contact tracing that is already in place in many countries.

To encourage a revival of travel in the short term, travel corridors, or 'bubbles', should be implemented. Bubbles would allow movement between two (or more) countries based on a mutually agreed set of public health mitigation measures, such as testing before arrival or quarantining on arrival (Helble and Fink, 2020). Bubbles could be arranged with neighbouring countries that have similar rates of COVID-19 but also between countries with major business ties. Once bilateral bubbles are successfully in place, they can be progressively expanded into regional travel bubbles. This measure will help reinvigorate tourism beyond domestic markets in a controlled and ethical manner, allowing for shorter quarantine times and increased confidence in travel. A few countries have implemented travel bubbles and some are currently negotiating them, including Australia–New Zealand (the Trans-Tasman bubble) and Malaysia–Singapore (Helble and Fink, 2020). Fiji, Australia and New Zealand are also in talks for a 'Bula Bubble', where travel will be contained to geographically isolated resorts in Fiji and tourists must present a COVID-19-free certificate and are required to quarantine for 14 days.

Providing financial support to the most vulnerable

Scaling-up of fiscal support and bailout packages remains crucial to help prevent further job losses, particularly for MSMEs. MSMEs have borne a large share of the costs associated with COVID-19-induced lockdowns and make up a significant portion of the tourism sector in small states. Vickers et al. (2020) suggest that liquidity support for such enterprises be provided at both national and multilateral levels. This could prevent local populations from falling into poverty and MSMEs from falling into complete dissolution (UNESCAP, 2020). These efforts could be supplemented by rent and tax holidays or extensions, as implemented in St Kitts and Nevis, which introduced temporary exemptions and extensions for payment of corporate income tax to support business survival (St Kitts & Nevis Observer, 2020). In addition, public-private partnerships (PPPs) could be explored to strengthen small-scale tourism and investment in tourism infrastructure and facilities.

To protect those who have already lost their jobs and sources of livelihoods, there is a need to increase funding for safety nets and social support programmes. Governments should also put in place programmes to support workers with skills development. Effective implementation for this is contingent on proper targeting of the most affected and vulnerable and having well-designed social protection strategies in place. As women are often more heavily employed in tourism enterprises in general and make up most of the lower-skilled workers, targeted policies are needed to remedy the disproportionate effects on them (Zarrillli and Aydiner-Avser, 2020). Direct income support alongside cash transfers is key for those who are self-employed and those in the informal sector, since many of this group have seen steep declines in their income as a result of the protracted lockdown measures. To address the growing youth unemployment crisis, governments must work to implement large-scale and targeted responses that include wage subsidies and public employment programmes (ADB and ILO, 2020). These welfare programmes mustn't be solely linked to formal employment, as that would leave many young people still unprotected and underserved. To free up funds for these programmes, countries could divert funds towards crisis-mitigation efforts to stabilise livelihoods (IMF, 2020b).

Investing in domestic tourism

Increasing marketing for domestic tourism could provide the quick gains needed to keep the tourism sector afloat, as domestic tourism is more likely to quickly rebound than international tourism (OECD, 2020a). This effort can also circumvent the seasonal nature of tourism: international tourism could be promoted in the high season, with more domestic-focused and price-sensitive options offered in the low season (UNWTO, 2020a). Governments could introduce

voucher schemes to their citizens, encouraging them to stay at local hotels or other hospitality and tourism entities. Additionally, governments could reduce the VAT on domestic flights and other tourism services to make them more affordable. Digital marketing, along with physical advertisements for less-connected populations, is imperative to the success of domestic tourism. For example, in Fiji the 'Love Our Locals' campaign introduced post-COVID-19 encourages Fijians to rally behind local restaurants, tour operators and hotels, and buy Fijian-made products, all while enjoying holidays domestically (UNWTO, 2020a). It has boosted hotel room occupancy and is being credited with the return of over 200 staff members at one resort (Tuimaisala, 2020). However, in some small states domestic tourism may be limited and would have to be deployed alongside other measures, such as travel bubbles and COVID-19 immunity passports (Kampel, 2020).

8.2 Medium-term recommendations

Stimulating demand

Going further, efforts will need to be put in place to restore cross-border travel and traveller confidence to stimulate demand. The safe restart of international travel requires that countries ensure that: measures affecting international traffic are risk-based, evidence-based, coherent, proportionate and time-limited, in line with WHO guidance; there be harmonisation and co-ordination of risk-assessment criteria, such as is the case with the European Union colour-coded system; and harmonisation and digitalisation of protocols and documents related to international travel, relating either

FIGURE 27: SHORT-TERM POLICY RECOMMENDATIONS

to testing or vaccination. Some countries are employing apps such as COVIDPASS, which indicates that a traveller is COVID-19 negative. This acts as a digital health passport using blockchain technology (Broom, 2020). Travel insurance will also play a bigger role. Using these tools, travellers will be able to book their trips with increased confidence, even in the presence of ever-changing travel corridors and quarantine restrictions. In essence, countries must strive to boost competitiveness and build resilience in their tourism industry. This entails facilitating innovations and safety and health measures and protocols.

To capture a greater amount of the market, countries must look into offering remote working visas. A great deal of the global population is now working from home for the foreseeable future, and many people may be amenable to the idea of working remotely from a scenic location. Small states poised to fill this need, such as Antigua and Barbuda, Barbados and Jamaica, are rolling out long-term visas (six months to two years) allowing people to live and work remotely on the island (Hosie, 2020). To further incentivise people to visit and work long term, countries should consider offering discounted hotel rates for long-term stays as well as discounted flights. A final consideration is retrofitting some tourism establishments to better suit co-working needs to foster a long-term sustainable commitment to welcoming digital nomads into the larger tourism realm.

Protecting local businesses

Initiatives should also focus on increasing the local content in foreign-owned tourism enterprises. The current activity standstill should be used to increase the incorporation of local infrastructure, products, entrepreneurs and skills in the tourism industry to help make the whole economy more resilient (Zarrilli and Aydiner-Avser, 2020). Foreign-owned operations should look to incorporate more domestic production into their supply chains, to integrate local crafts, produce and supplies into their products. Governments have a role to play in actively cultivating socio-economic linkages and networks throughout the tourism value chain to avoid leakage and retain tourism revenues (Kampel, 2020). These initiatives must incorporate a gender perspective and strive to include local women producers and craftswomen in the revamping of products. This may need to be accompanied by overarching support measures to assist local suppliers to meet the standards and requirements imposed by foreign-owned tourism enterprises.

This pause also provides an opportunity to retrain tourism workers so they have options to go into other ventures, on the assumption that many enterprises could be permanently closed. Education and training programmes, provided jointly by the public and private sectors, should be put in place for workers displaced from the tourism industry to enhance

their competencies, allowing them more mobility in terms of livelihood options. For instance, in Vanuatu, one of the hardest hit Pacific SIDS, where the pandemic has wiped out tens of thousands of jobs, one resort owner has converted the land next to the resort into a farm rather than new accommodation (Graue, 2020). This retained resort employees while waiting for tourists to return and, in the process, created fresh produce for the resort and the surrounding area. Ultimately, for small states looking to expand livelihood options outside of tourism, it is important to note that livelihoods of the past, such as subsistence farming, are just as important now as they were before. Small states need not reinvent the wheel but look to what they have been doing for centuries, working on ways to monetise this and integrate it better into their economies and their tourism products at large. Additionally, due to social distancing concerns, education and re-skilling must also focus on digitisation and training employees in SMEs on the use of digital technologies, such as touchless options for tourism facilities. Ultimately, to accomplish this there is a need to enhance the digital capacities of SMEs and provide adequate support for them.

8.3 Long-term recommendations

Transformation of the tourism and health sectors

To build more resilient tourism industries, countries and regions must invest in transforming their tourism and health sectors so they can withstand any future crises. This entails research on new business

FIGURE 28: MEDIUM-TERM POLICY RECOMMENDATIONS

models, infrastructure development and digitisation. As we move towards more advanced technologies, countries should consider touchless options in airports, border immigration facilities and hotel check-in that limit the spread of diseases (OECD, 2020). Countries need to scale up their medical infrastructure and put in place world-class testing facilities. This will help control future pandemics, thus protecting the tourism industry.

For countries that rely solely on tourism, research needs to be conducted into alternatives to the sector. Diversification alongside the maintenance of tourism activity will help protect these countries from future challenges. Such diversification would not happen overnight: some countries that are heavily reliant on tourism have very few natural resources and little production capacity, while also being vulnerable to climate change (World Bank, 2020d). Therefore, feasibility studies would have to be conducted on viable alternatives or supplements to tourism and on the capacity to pursue these. To support this diversification, countries would need to explore the determinants of productivity at the firm and macro levels and examine how, under the right conditions, resources can be shifted from one sector to another. One country undertaking the initial steps of diversifying post-COVID-19 is Thailand, whose services sector, which includes tourism, accounts for 58.6 per cent of GDP (Nordea, 2020). Moving forward, the country is looking to expand its industry sector via increased foreign direct investment (The Business Times, 2020). Countries could also look into developing rural accommodation options to broaden the choices available for tourists, as many may move towards travelling to less densely populated areas for health concerns.

Scaling-up of marketing

Long-run efforts to stimulate demand for tourism must focus on making travel easy, safe and efficient. One such tool would be the establishment of regional visas for the Pacific, the Caribbean and Africa, along the lines of Europe's Schengen Visa. Enhancing regional infrastructure will also improve the ease with which travellers can move between countries, thus helping spread tourist flows in these regions. This will lead to more people travelling to multiple countries on a single trip, as opposed to visiting only a single destination before returning home. In creating better connectivity between small states, countries will be more inclined to work together to promote their collective success as a tourism destination.

Moving forward, countries should invest universally in the concept of 'global access', or a global trusted-traveller programme. Rather than emphasising 'country of origin', there should be an individual-centric system based on metrics of health and security risk factors (Misrahi, 2016). Such a system would enable 'low-risk' passengers to travel in an expedited way across borders while

enhancing global security standards through better inter-governmental co-operation. In assessing travellers as individuals against a set of universally agreed-upon metrics related to health and security, more people will be able to travel safely while countries endure various waves of dealing with the virus. This measure would require regional and ultimately global collaboration on deciding what factors make for a 'trusted' traveller.

One way for countries to differentiate themselves both regionally and globally is via further investment in the hosting of festivals and engaging in cultural exchange (Ali et al., 2018). While many countries already do this to create a distinct and positive image abroad, countries should increase investment in hosting festivals and activities that can be publicised for tourists. This, in turn, will offer countries a unique selling point to differentiate them from others. Alternately, engaging in cultural exchange activities can help improve the image of a country and help it stand out abroad. Cultural exchange can take myriad forms, such as creating movies to be screened at international film festivals or sending representatives to travel abroad and participate in events that allow them to exhibit their culture, such as dance competitions.

The role of technology

Countries must harness new opportunities for enhancing the use of technology in tourism. These include virtual and augmented reality, transporting individuals to faraway escapes from the comfort of their surroundings, while paying for the experience at a fraction of the cost. While virtual reality technologies make it possible to digitally transport customers to virtual recreation, augmented realities involve augmenting a person's real surroundings and not replacing them. These could also serve as a marketing tool to inspire travellers to visit countries in person.

Robotics and Artificial Intelligence could also play a significant role in the future of tourism, allowing the streamlining of travel and accommodation booking and security processes such as airport security checks. Small developing countries with limited resources and technological development should look to use PPPs to develop the technology necessary to support travel technology companies and help rebuild the tourism sector.

Lastly, virtual tourism expos could help stimulate demand for tourism. In August 2020, Mauritius hosted for the very first time a 3D Virtual Tourism exhibition. This allowed representatives of the Mauritius travel industry, such as hotels, tour operators and attraction representatives, to host virtual stands and meet, interact and conduct meetings with key outbound travel professionals, travel agents and potential customers (Travel Daily News, 2020). Countries could explore the possibility of staging virtual tourism expos to attract tourists and promote virtual tourism options.

FIGURE 29: LONG-TERM POLICY RECOMMENDATIONS

8.4 Potential limitations and the role of the Commonwealth

The effective implementation of the policies suggested above is contingent on several factors, some of which are beyond the control of small states and are likely to affect the speed of their recovery. Some of these limiting factors are outlined below.

- Many small states have inadequate financial capacity and fiscal space to implement some of these policies. As such, small states should call on the IFIs as well as development finance institutions (DFIs) to support their recovery

efforts and recognise their unique vulnerabilities (Kampel, 2020). The IFIs must also expand the scope for the provision of development assistance to include middle-income small states that have limited access to development financing based on their income status. Developing countries also need to explore all viable alternative forms of financing, including PPPs, diaspora bonds and blue and green bonds, to help ensure a sustainable recovery.

- Many small states are burdened with inadequate technological capacity to implement some of the much-needed technological innovations to support the tourism sector. This calls for increased investment by DFIs and the private sector alike in supporting infrastructure and research and innovation on how best to adapt some of these new initiatives to suit these economies. The IFIs also have an important role to play by channelling investment to new digital technologies supporting tourism.
- The recovery of many small states' tourism industries is also dependent on the actions of the countries around them, particularly those of their major tourist source markets. In essence, recovery for many small states depends on their source markets' success in containing the virus, resuming travel and stimulating demand for tourism in small states. Advanced economies are among the top source markets for Commonwealth small states. The top three source markets for the Pacific region are Australia (28 per cent), New Zealand (21 per cent) and the USA (10 per cent) (IMF, 2020b). The Caribbean region is less diversified, with close to 50 per cent of tourists coming from the USA. This is followed by Canada (16 per cent) and Europe (15 per cent) (Acevedo et al., 2017). While many regions rely on tourist arrivals from advanced economies, Africa is witnessing a shift from traditional source markets to the BRICS countries (Brazil, Russia, India, China and South Africa). Effectiveness in controlling COVID-19 in.these source markets is a large factor in the recovery of small states' tourism.
- The promotion of domestic tourism is likely to be more effective for middle-income small states like Trinidad and Tobago, Botswana and Mauritius, where citizens have higher incomes and there are more accessible modes of transport to facilitate domestic tourism. For archipelagic SIDS, such as Solomon Islands, Kiribati and Vanuatu, it will be harder to address the challenges to their tourism industries created by COVID-19 via less restrictive domestic lockdowns, as the domestic populations have fewer means of travel.

The Commonwealth Secretariat, through its various programmes and projects, is committed to supporting

Commonwealth small states in their recovery process. The expansion of the Disaster Risk Finance Portal provides an opportunity for countries to easily access disaster funds for both natural disasters and events such as pandemics and epidemics. By providing countries with a one-stop shop on international funding, the portal aids countries in easily obtaining financing and also provides a base for learning and exchange with resources, events and trainings regarding disasters. The Secretariat is also committed to supporting Commonwealth member countries with evidence-based policy advice to help them resuscitate their economies. Ultimately, tourism must be included in national, regional and global economic emergency relief packages for the sector to withstand the enduring effects of the pandemic in small states. Furthermore, small states must ensure the sustainability of their tourism sectors in the long run, to ensure resilience to the future risks of climate change, epidemics and pandemics, and natural disasters.

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Statistical Annex

GDP Growth Rates at Constant Prices

Country	2017	2018	2019	2020	2021	2022	2023	2024	2025
Antigua and Barbuda	7.0	4.7	-20.0	1.0	7.0	5.6	4.4	3.4	2019.0
The Bahamas	2.8	0.7	-14.5	2.0	8.0	4.0	3.4	1.8	2019.0
Barbados	-0.6	-1.3	-18.0	3.3	8.5	4.8	2.8	1.8	2019.0
Belize	2.9	1.8	-14.0	8.5	5.4	2.8	2.0	2.0	2020.0
Botswana	4.0	3.0	-8.5	9.2	4.7	4.4	4.0	4.0	2020.0
Brunei Darussalam	0.1	3.9	1.1	2.0	2.6	2.4	2.2	2.1	2020.0
Cyprus	5.2	3.1	-5.1	4.8	3.6	3.2	2.8	2.7	2020.0
Dominica	3.5	7.5	-11.0	3.4	7.9	5.9	4.8	4.2	2018.0
Eswatini	2.4	2.2	-2.4	1.5	1.7	1.8	2.0	2.1	2019.0
Fiji	3.8	-0.4	-15.7	-4.0	6.2	8.3	6.4	4.5	2020.0
The Gambia	7.2	6.2	-0.2	4.9	6.0	6.5	6.5	5.8	2020.0
Grenada	4.4	0.7	-13.1	2.7	6.2	5.8	4.6	3.1	2019.0
Guyana	4.4	5.4	43.5	20.4	48.7	32.1	3.6	3.7	2020.0
Jamaica	1.8	1.0	-10.0	4.6	2.7	2.4	2.1	1.8	2020.0
Kiribati	3.8	3.9	-0.5	1.8	2.5	2.3	2.1	2.0	2019.0
Lesotho	-1.0	-1.5	-5.4	2.8	1.6	1.6	1.8	0.3	2019.0
Maldives	8.1	7.0	-32.0	18.9	13.2	12.1	6.1	5.4	2020.0
Malta	6.1	5.7	-8.3	5.7	6.0	4.9	4.5	3.7	2020.0
Mauritius	3.8	3.0	-14.9	5.0	6.7	4.0	3.5	3.3	2020.0
Namibia	1.1	-0.6	-8.0	1.3	3.6	3.1	2.5	2.5	2020.0
Nauru	5.7	1.0	0.7	1.6	0.9	0.8	0.6	0.5	2019.0
Papua New Guinea	-0.3	5.9	-3.9	1.2	4.0	3.4	2.8	2.9	2019.0
Samoa	-2.1	3.6	-2.7	-7.2	1.0	4.1	3.7	3.3	2020.0
Seychelles	1.3	1.9	-12.9	6.9	7.7	6.8	5.0	5.0	2020.0
Solomon Islands	3.9	1.2	-4.3	1.2	4.4	4.5	3.3	3.0	2019.0
St. Kitts and Nevis	2.7	4.8	-14.4	-1.0	10.0	5.1	2.8	2.7	2019.0
St. Lucia	2.9	-0.1	-20.4	3.5	13.1	8.8	4.0	1.8	2020.0
St. Vincent and the Grenadines	2.2	0.5	-3.3	-6.1	8.3	6.1	4.3	3.3	2019.0
Tonga	0.3	0.7	0.7	-2.0	2.9	3.7	3.0	2.0	2020.0
Trinidad and Tobago	0.1	-1.2	-7.9	-1.0	5.4	2.1	1.6	1.6	2019.0
Tuvalu	1.6	13.9	1.0	2.5	3.5	3.8	4.0	3.8	2019.0
Vanuatu	2.9	3.9	-6.8	1.2	3.0	4.1	3.7	2.7	2018.0

Source: WEO, October 2021.

Government Revenue (% of GDP)

Country	2017	2018	2019	2020	2021	2022	2023	2024	2025	Estimates Start After
Antigua and Barbuda	20.7	19.8	18.6	20.4	23.8	22.8	24.1	24.6	24.7	2019
The Bahamas	16.8	16.2	18.4	18.5	18.9	19.2	19.6	19.7	19.9	2019
Barbados	28.6	29.1	31.1	31.9	28.4	29.2	29.7	29.7	29.7	2020
Belize	29.5	30.5	29.6	28.9	27.1	28.3	29.7	30.0	30.0	2019
Botswana	33.6	30.8	28.4	27.0	29.3	27.1	30.6	30.2	30.3	2019
Brunei Darussalam	26.2	28.6	22.8	17.5	19.1	20.0	18.5	19.4	19.0	2019
Cyprus	38.7	39.5	41.2	40.9	42.7	43.5	43.5	43.8	43.7	2019
Dominica	49.4	44.2	38.1	43.6	43.9	44.2	43.1	42.7	42.4	2020
Eswatini	28.2	25.1	27.4	28.4	26.3	24.0	25.1	26.0	26.5	2019
Fiji	27.6	26.9	27.3	20.4	22.4	22.2	23.8	25.0	25.3	2018
The Gambia	19.3	15.1	21.2	22.3	22.8	21.7	21.8	20.7	20.6	2018
Grenada	25.5	27.0	27.1	28.6	28.2	26.9	26.9	26.8	26.8	2019
Guyana	23.2	25.0	25.6	22.7	19.8	18.7	17.9	19.0	19.3	2019
Jamaica	29.1	30.6	30.6	29.2	29.6	29.5	30.3	30.2	30.0	2020
Kiribati	150.1	133.0	122.2	105.8	106.9	103.3	99.8	98.5	97.5	2017
Lesotho	49.8	50.5	49.9	57.2	46.0	47.5	45.0	45.1	45.6	2020
Maldives	27.7	27.2	26.8	27.2	27.9	28.4	28.0	27.9	27.3	2019
Malta	37.2	37.1	36.0	35.8	35.6	35.3	35.0	34.8	34.6	2019
Mauritius	22.7	22.5	22.7	21.6	23.0	23.7	24.5	25.7	25.8	2020
Namibia	32.6	31.2	32.1	30.9	28.3	28.6	31.4	32.4	32.6	2019
Nauru	121.8	129.3	145.0	166.0	158.1	131.1	111.1	106.4	103.9	2020
Papua New Guinea	15.9	17.7	16.3	14.8	14.0	14.9	15.4	15.6	15.8	2015
Samoa	30.7	32.1	35.7	38.3	37.3	32.9	33.9	35.0	35.7	2019
Seychelles	35.8	38.4	38.0	37.7	34.8	35.9	36.3	37.6	38.0	2019
Solomon Islands	39.2	40.4	32.8	33.2	31.0	32.8	31.1	30.5	29.9	2019
St. Kitts and Nevis	27.5	36.8	35.5	31.3	33.2	30.6	30.6	30.6	30.6	2019
St. Lucia	20.9	22.0	21.4	21.3	22.3	22.0	21.8	21.7	21.7	2018
St. Vincent and the Grenadines	29.8	29.0	30.3	30.7	31.4	36.6	34.2	32.0	32.0	2019
Tonga	43.2	42.6	41.7	43.8	42.9	47.9	41.0	38.3	33.3	2019
Trinidad and Tobago	21.8	24.8	27.6	22.5	23.5	26.5	26.4	26.1	25.8	2019
Tuvalu	108.6	156.1	111.7	121.5	121.9	106.7	106.5	105.7	104.3	2019
Vanuatu	35.9	39.5	38.5	44.2	40.6	34.2	32.1	31.6	31.0	2019

Units: Percent of GDP.
Source: WEO, October 2021.

Government Expenditure (% of GDP)

Country	2017	2018	2019	2020	2021	2022	2023	2024	2025	Estimates Start After
Antigua and Barbuda	23.6	22.3	22.6	26.8	27.8	26.3	25.8	24.9	24.1	2019
The Bahamas	22.0	19.5	20.0	25.6	32.6	28.1	24.0	23.5	22.0	2019
Barbados	32.9	29.4	27.3	37.0	32.5	29.8	29.5	28.5	28.3	2020
Belize	33.8	32.1	33.1	38.5	34.8	33.1	32.5	32.3	32.2	2019
Botswana	34.8	35.8	37.0	37.0	34.3	33.5	32.3	31.3	30.4	2019
Brunei Darussalam	36.6	32.2	32.4	33.2	27.7	27.9	28.6	29.1	29.5	2019
Cyprus	36.7	43.0	39.7	46.6	47.8	44.9	44.2	43.7	43.0	2019
Dominica	52.6	62.7	46.4	56.6	48.0	45.8	43.6	41.6	40.4	2020
Eswatini	35.1	34.7	34.4	35.1	34.3	32.6	30.2	29.8	29.5	2019
Fiji	29.4	32.4	29.9	33.2	38.2	33.2	30.2	28.9	28.5	2018
The Gambia	23.6	20.8	23.7	24.4	26.9	24.8	23.3	21.5	20.5	2018
Grenada	22.6	22.4	22.1	27.4	27.7	25.6	24.5	23.8	23.3	2019
Guyana	26.5	27.8	28.4	30.7	27.0	20.8	18.9	19.0	19.3	2019
Jamaica	28.6	29.4	29.7	33.1	29.5	28.7	28.8	28.6	28.0	2020
Kiribati	109.7	134.7	113.8	109.0	118.2	119.8	114.7	110.8	109.0	2017
Lesotho	51.7	54.9	57.6	56.7	50.9	49.2	48.5	47.9	48.4	2020
Maldives	30.8	32.5	33.4	50.0	46.0	41.2	37.2	35.1	33.9	2019
Malta	34.0	35.3	35.6	45.7	47.2	41.6	39.7	38.2	37.8	2019
Mauritius	24.4	24.8	31.1	33.4	32.0	30.5	31.9	31.3	31.2	2020
Namibia	37.6	36.3	37.6	40.3	38.1	36.6	36.0	35.6	35.4	2019
Nauru	100.5	96.8	124.2	134.5	134.3	119.0	106.1	104.1	101.4	2020
Papua New Guinea	18.4	20.3	20.7	23.8	21.2	20.9	20.1	19.9	19.6	2015
Samoa	32.8	32.1	32.9	32.1	37.9	36.4	36.8	37.5	37.9	2019
Seychelles	35.4	38.2	37.1	56.0	46.3	42.6	38.7	38.8	37.5	2019
Solomon Islands	42.7	39.5	34.2	35.7	33.8	35.0	35.4	34.6	34.0	2019
St. Kitts and Nevis	26.9	35.7	35.3	36.0	35.0	30.1	28.8	28.7	28.7	2019
St. Lucia	23.1	23.0	24.8	32.2	29.8	25.8	24.3	24.0	23.9	2018
St. Vincent and the Grenadines	30.2	29.9	33.3	36.4	43.1	40.1	38.6	35.5	35.0	2019
Tonga	39.6	39.7	38.5	38.5	44.6	49.3	42.1	39.0	41.2	2019
Trinidad and Tobago	32.9	30.9	31.3	34.2	35.0	32.1	31.5	30.9	30.7	2019
Tuvalu	106.5	125.8	112.8	116.5	129.1	109.8	109.5	109.1	108.6	2019
Vanuatu	37.1	33.3	31.8	44.4	44.0	38.3	36.1	35.4	34.8	2019

Units: Percent of GDP.
Source: WEO, October 2021.

Gross Debt (% of GDP)

Country	2017	2018	2019	2020	2021	2022	2023	2024	2025	Estimates Start After
Antigua and Barbuda	92.2	87.7	81.3	101.3	105.2	99.1	93.9	88.6	83.6	2020
The Bahamas	53.3	61.8	59.7	75.2	102.5	94.2	92.3	90.7	88.6	2020
Barbados	158.3	126.0	124.8	156.8	138.3	126.6	120.9	113.7	107.2	2020
Belize	95.2	94.3	94.4	123.3	117.9	113.9	111.4	109.4	107.3	2019
Botswana	14.6	15.7	16.3	19.5	22.8	27.2	26.7	25.8	24.0	2020
Brunei Darussalam	2.8	2.6	2.6	2.9	2.3	2.2	2.3	2.3	2.3	2020
Cyprus	93.5	99.2	94.0	119.1	111.0	103.7	99.3	92.9	88.9	2019
Dominica	80.2	84.6	94.7	108.7	107.8	103.1	98.9	93.6	88.4	2021
Eswatini	27.6	33.9	40.0	41.2	46.0	50.9	52.5	51.9	51.7	2020
Fiji	44.4	46.4	48.9	70.8	86.8	90.1	87.1	83.8	81.7	2020
The Gambia	87.0	83.6	83.0	83.5	82.3	79.1	73.8	68.0	62.0	2018
Grenada	70.1	64.5	60.6	71.3	70.2	69.4	65.0	60.0	53.5	2019
Guyana	43.2	47.4	43.9	51.4	47.0	36.2	30.1	29.3	28.2	2019
Jamaica	101.2	94.4	94.3	107.4	95.8	87.3	79.5	73.1	67.2	2020
Kiribati	21.4	19.4	18.1	17.4	20.9	27.6	34.5	40.6	47.2	2017
Lesotho	39.9	49.6	50.6	50.4	50.0	50.2	50.8	49.9	49.4	2020
Maldives	64.6	72.0	78.3	146.0	137.2	133.3	128.2	128.3	126.8	2019
Malta	47.5	43.4	40.6	53.3	63.0	65.3	66.5	66.4	65.9	2020
Mauritius	64.3	66.2	84.6	96.9	101.0	99.8	101.6	101.7	95.5	2019
Namibia	43.2	50.4	59.6	65.3	69.9	72.6	71.7	70.3	68.8	2020
Nauru	76.7	74.3	62.0	59.3	28.2	43.7	40.1	36.9	33.9	2019
Papua New Guinea	32.5	36.7	40.0	48.9	45.5	49.1	50.1	52.1	52.2	2020
Samoa	49.6	52.8	47.4	46.5	47.6	49.6	49.5	49.1	48.5	2019
Seychelles	62.1	59.1	57.7	96.5	81.9	82.8	79.3	74.2	68.7	2020
Solomon Islands	8.4	8.3	8.3	14.0	20.4	21.8	23.8	25.7	27.9	2019
St. Kitts and Nevis	55.8	53.6	51.4	56.9	61.7	57.7	57.2	57.0	56.6	2019
St. Lucia	59.9	60.0	61.4	92.1	95.6	91.4	88.1	86.5	86.3	2020
St. Vincent and the Grenadines	73.5	75.6	75.1	85.0	101.0	94.0	90.1	87.6	85.7	2020
Tonga	44.7	45.9	41.3	43.3	45.6	44.3	46.1	44.6	50.5	2020
Trinidad and Tobago	42.6	42.4	46.5	59.3	70.4	72.5	74.6	77.2	79.8	2019
Tuvalu	12.1	11.8	11.5	7.3	6.0	5.0	4.0	3.4	2.9	2020
Vanuatu	51.8	48.1	45.3	48.7	46.1	48.9	50.2	52.1	54.4	2019

Units: Percent of GDP.
Source: WEO, October 2021.

Current Account Balance

Country	2017	2018	2019	2020	2021	2022	2023	2024	2025	Estimates Start After
Antigua and Barbuda	-0.1	-0.2	-0.1	-0.1	-0.1	-0.2	-0.1	-0.1	-0.1	2018
The Bahamas	-1.6	-1.1	0.5	-1.8	-2.2	-1.9	-1.5	-1.2	-1.1	2019
Barbados	-0.2	-0.2	-0.2	-0.3	-0.6	-0.4	-0.4	-0.3	-0.3	2019
Belize	-0.2	-0.2	-0.2	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	2019
Botswana	0.9	0.1	-1.4	-1.6	-0.7	-0.4	0.5	0.9	1.0	2019
Brunei Darussalam	2.0	0.9	0.9	0.5	0.7	0.9	1.0	1.6	1.8	2019
Cyprus	-1.2	-1.0	-1.6	-2.8	-2.5	-2.1	-2.1	-2.1	-1.7	2019
Dominica	0.0	-0.2	-0.2	-0.1	-0.2	-0.2	-0.1	-0.1	-0.1	2018
Eswatini	0.3	0.1	0.2	0.3	0.1	0.0	0.0	0.1	0.1	2019
Fiji	-0.4	-0.5	-0.7	-0.6	-0.7	-0.4	-0.4	-0.4	-0.4	2018
The Gambia	-0.1	-0.2	-0.1	-0.1	-0.3	-0.3	-0.3	-0.2	-0.2	2018
Grenada	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.1	2018
Guyana	-0.2	-1.4	-2.8	-0.8	-1.2	1.4	2.5	3.9	3.0	2019
Jamaica	-0.4	-0.2	-0.4	0.0	-0.2	-0.6	-0.4	-0.5	-0.5	2020
Kiribati	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.1	2018
Lesotho	-0.1	0.0	0.0	0.0	-0.3	-0.2	-0.2	-0.3	-0.2	2019
Maldives	-1.0	-1.5	-1.5	-1.1	-0.7	-0.7	-0.5	-0.6	-0.6	2019
Malta	0.8	0.9	0.9	-0.5	-0.4	-0.1	0.1	0.4	0.6	2019
Mauritius	-0.6	-0.6	-0.8	-1.4	-2.0	-1.1	-1.0	-0.7	-0.7	2018
Namibia	-0.6	-0.5	-0.2	0.3	-0.9	-0.5	-0.2	0.0	0.0	2019
Nauru	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2019
Papua New Guinea	6.5	5.9	5.0	3.1	5.9	6.0	5.7	6.1	6.2	2015
Samoa	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	2018
Seychelles	-0.3	-0.3	-0.3	-0.3	-0.4	-0.4	-0.4	-0.4	-0.4	2018
Solomon Islands	-0.1	0.0	-0.2	0.0	-0.1	-0.3	-0.3	-0.3	-0.3	2018
St. Kitts and Nevis	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	2019
St. Lucia	0.0	0.0	0.1	-0.2	-0.2	-0.2	-0.1	0.0	0.0	2017
St. Vincent and the Grenadines	-0.1	-0.1	-0.1	-0.1	-0.2	-0.1	-0.1	-0.1	-0.1	2019
Tonga	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	2019
Trinidad and Tobago	1.4	1.6	1.0	0.0	2.9	4.3	4.0	3.7	3.6	2019
Tuvalu	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2012
Vanuatu	0.0	0.1	0.1	0.0	-0.1	-0.1	-0.1	-0.1	0.0	2019

Units: USD Billions.
Source: WEO, October 2021.

Imports (Goods and Services)

Country	2017	2018	2019	2020	2021	2022	2023	2024	2025	Estimates Start After
Antigua and Barbuda	1.0	9.6	2.0	-41.5	-5.2	30.8	22.4	14.5	3.5	2018
The Bahamas	6.0	-2.4	-2.8	-26.4	-0.3	29.8	14.0	8.1	4.7	2019
Barbados	-6.0	-6.7	6.2	-10.9	1.1	9.3	5.3	3.5	2.5	2019
Belize	-2.6	0.5	0.3	-26.0	10.5	8.1	6.7	2.0	2.0	2019
Botswana	-12.9	15.9	11.9	5.2	0.6	10.6	-2.2	0.4	4.8	2019
Brunei Darussalam	1.3	28.1	13.8	-2.1	31.8	7.9	2.0	3.8	3.7	2019
Cyprus	12.9	4.5	2.0	-4.2	5.3	7.9	6.5	5.8	5.2	2019
Dominica	-9.3	31.2	14.5	-43.5	18.0	1.7	13.6	12.9	8.0	2018
Eswatini	7.3	4.6	1.4	-21.1	15.1	-1.5	-2.5	1.0	2.0	2019
Fiji										
The Gambia	22.6	8.4	11.1	0.9	26.3	16.9	4.7	0.1	1.8	2018
Grenada	15.9	4.6	1.8	-15.5	-0.4	10.3	5.0	6.9	2.8	2018
Guyana	0.0	17.3	8.8	22.3	7.2	-12.2	9.1	-16.5	2.0	2019
Jamaica	10.3	0.6	11.5	-16.2	-7.7	12.9	19.0	17.5	9.0	2018
Kiribati	-1.3	-17.3	1.9	-1.3	13.7	0.9	3.7	4.8	3.1	2018
Lesotho	3.0	-5.0	1.0	-2.5	5.1	-1.8	2.6	3.5	-2.4	2019
Maldives	5.1	10.4	0.9	-40.0	31.4	9.8	7.1	10.7	7.2	2019
Malta	6.0	0.4	6.8	-2.7	4.8	3.8	1.8	1.7	1.7	2019
Mauritius	5.3	3.7	1.3	-11.8	8.5	8.6	4.9	4.3	3.8	2018
Namibia	-2.1	2.8	-8.5	-21.6	28.2	2.4	6.3	5.2	4.2	2019
Nauru										
Papua New Guinea	20.9	-7.6	35.9	19.0	-18.9	6.2	10.9	1.9	3.2	2015
Samoa										2018
Seychelles	7.0	3.0	-1.6	-18.3	-6.0	15.8	13.9	8.9	9.2	2018
Solomon Islands	1.9	3.2	3.3	-21.1	2.7	37.8	7.7	5.2	5.9	2018
St. Kitts and Nevis	-6.2	2.7	7.5	-23.9	-20.6	15.8	12.6	13.5	12.2	
St. Lucia	-2.4	-4.1	0.9	-26.9	-13.1	26.9	21.4	4.7	3.1	2017
St. Vincent and the Grenadines	-5.8	-1.4	0.6	-23.0	-.5	12.7	21.5	3.6	2.5	2019
Tonga	4.0	-1.1	2.2	-6.4	n/a	n/a	n/a	n/a	n/a	2019
Trinidad and Tobago	-8.1	-11.8	-11.1	-7.8	-10.5	2.5	1.8	0.4	0.4	2019
Tuvalu										
Vanuatu										

Units: Percent Change.
Source: WEO, October 2021.

Exports (Goods and Services)

Country	2017	2018	2019	2020	2021	2022	2023	2024	2025	Estimates Start After
Antigua and Barbuda	-6.5	2.1	14.1	-49.8	-3.0	43.7	28.4	14.9	2.9	2018
The Bahamas	5.2	23.5	5.8	-67.7	22.3	71.3	25.8	15.1	5.1	2019
Barbados	0.4	-1.6	7.9	-37.7	23.2	16.7	6.5	4.8	4.1	2019
Belize	4.5	4.5	2.1	-34.7	17.0	19.1	14.5	1.9	2.0	2019
Botswana	-5.5	11.9	-7.1	-18.1	40.0	0.7	4.1	2.6	4.4	2019
Brunei Darussalam	-5.3	5.7	14.9	7.5	22.8	10.6	1.9	2.2	3.9	2019
Cyprus	9.9	8.0	-0.4	-12.4	6.6	8.1	7.4	6.7	5.9	2019
Dominica	-21.9	-28.1	37.5	-47.7	4.1	49.6	20.2	30.8	13.6	2018
Eswatini	4.0	-2.8	16.3	1.7	6.4	0.7	0.1	0.6	1.0	2019
Fiji										
The Gambia	6.0	26.3	19.7	-57.8	52.0	48.5	21.1	13.1	7.1	2018
Grenada	3.3	10.7	0.8	-60.2	-18.7	88.5	25.8	24.2	4.3	2018
Guyana	0.4	-1.2	7.0	159.0	16.1	53.3	44.0	4.8	3.8	2019
Jamaica	9.3	14.5	7.9	-37.8	7.7	25.7	25.8	17.2	7.4	2018
Kiribati	-15.1	-38.4	66.3	-17.8	22.8	14.6	17.6	11.9	7.0	2018
Lesotho	5.5	0.3	-0.4	-21.6	11.8	2.4	3.6	2.8	9.6	2019
Maldives	3.9	18.2	5.0	-51.3	66.9	15.9	14.2	9.0	6.8	2019
Malta	10.8	-0.1	5.8	-6.3	5.1	5.8	2.9	2.8	2.4	2019
Mauritius	3.5	3.5	-6.0	-37.9	8.4	28.2	11.1	11.6	3.8	2018
Namibia	20.1	10.6	-7.7	-22.0	16.6	18.2	9.4	6.6	4.7	2019
Nauru										
Papua New Guinea	8.3	-14.9	10.2	-7.9	7.1	1.4	1.3	0.9	2.1	2015
Samoa										2018
Seychelles	3.8	-0.4	4.4	-18.5	-10.9	16.6	24.8	13.5	11.7	2018
Solomon Islands	12.8	13.1	-14.9	-28.4	7.1	17.1	11.5	6.2	5.1	2018
St. Kitts and Nevis	-2.9	13.9	8.3	-45.1	-11.5	37.3	16.3	13.8	10.2	
St. Lucia	12.1	2.2	8.2	-60.8	3.5	53.3	32.4	11.5	1.8	2017
St. Vincent and the Grenadines	-3.9	1.5	4.5	-45.0	-12.1	62.6	24.0	14.5	2.7	2019
Tonga	-5.4	1.6	-5.7	-3.5	n/a	n/a	n/a	n/a	n/a	2019
Trinidad and Tobago	5.8	-0.2	-15.4	-24.9	22.4	16.1	-0.8	-2.0	-1.1	2019
Tuvalu										
Vanuatu										

Units: Percent Change.
Source: WEO, October 2021.

Monthly Visitor Arrivals

Country	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Total 2020	Total 2019
Antigua and Barbuda	145,737	138,139	69,740	24	26	2,775	4,089	4,904	3,758	7,126	6,758	14,918	397,994	1,035,000
Bahamas	128,938	155,206	79,504	43	20	3,935	23,820	5,385	5,016	7,611	13,222	30,009	452,709	7,250,000
Barbados	60,462	64,629	33,073	139	352	489	-	-	-	-	-	-	-	966,000
Belize	-	-	-	-	-	-	-	-	-	-	-	-	-	1,674,000
Botswana	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Brunei	-	-	-	-	-	-	-	-	-	-	-	-	-	333,000
Cyprus	85,622	105,592	55,342	0	0	9,119	64,914	104,261	87,334	100,791	8,952	9,682	631,609	4,117,000
Dominica	59,942	52,998	29,579	53	0	1	94	497	470	581	745	917	145,877	322,000
Eswatini	97,457	79,071	68,638	3,407	5,679	7,641	7,662	8,584	8,958	15,312	20,156	58,251	380,816	1,226,000
Fiji	65,386	46,343	27,972	678	709	413	711	976	1,005	1,125	875	712	146,905	969,000
Gambia	31442	28862	13343	0	40	153	640	360	984	1561	4456	7691	89,532	619,000
Grenada	93,303	79,845	35,255	21	6	595	379	873	665	1,908	1,947	2,070	216,867	526,000
Guyana	-	-	-	-	-	-	-	-	-	-	-	-	-	315,000
Jamaica	445,800	426,700	261,400	600	600	15,400	58,800	67,700	48,000	75,600	87,800	122,000	1,610,400	4,233,000
Kiribati	-	-	-	-	-	-	-	-	-	-	-	-	-	12,000
Lesotho	-	-	-	-	-	-	-	-	-	-	-	-	-	1,142,000
Maldives	173,347	150 000	60,000	0	0	0	2,000	8,000	10,000	22,000	36,000	96,000	407,347	1,703,00
Malta	113 550	145,800	75,200	0	0	0	48,700	114,500	50,400	46,900	14,900	12,900	509,300	3,519,000
Mauritius	137,419	111 560	55 863	10	20	9	45	317	369	1 149	1 177	1 042	138,189	1,418,000
Namibia	-	-	-	-	-	-	-	-	-	-	-	-	-	1,651,000
Nauru	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Papua New Guinea	-	-	-	-	-	-	-	-	-	-	-	-	-	211,000
St Kitts and Nevis	124,194	12,674	5 562	1	2	8	140	50	269	84	407	871	138,700	1,107,000
St Lucia	192,816	39,638	18 086	0	0	0	1 955	3 261	4 122	7 808	7 766	14 384	232,454	1,220,000
St Vincent and the Grenadines	67,136	7 187	3 909	6	61	51	701	1 102	608	967	1 129	2 494	69,530	392,000
Samoa	-	-	21,67	-	-	0	-	-	0	-	-	-	-	181,000
Seychelles	32,731	38,114	18,067	22	73	140	475	2,072	-	-	-	-	-	428,000
Solomon Islands	-	-	-	-	-	-	-	-	-	-	-	-	-	28,900
Tonga	-	-	8,938	-	-	-	-	-	22	-	-	56	-	94,000
Trinidad and Tobago	-	-	-	-	-	-	-	-	-	-	-	-	-	480,000
Tuvalu	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vanuatu	-	6,594	3,438	-	-	-	-	-	-	-	-	-	-	256,000

Vaccine Access as at February, 2022

Country	2021
Botswana	0
Eswatini	0
Fiji	0
Kiribati	0
Lesotho	0
Nauru	0
Papua New Guinea	0
St Vincent and the Grenadines	0
Samoa	0
Tuvalu	0
Vanuatu	0
Trinidad and Tobago	0.1
Gambia	0.2
Namibia	0.3
Jamaica	0.5
Solomon Islands	0.5
Mauritius	0.7
Tonga	1.3
Bahamas	1.5
Brunei	2.4
Belize	2.8
Grenada	6.4
Guyana	7.4
St Lucia	10.2
Antigua and Barbuda	11.6
St Kitts and Nevis	13
Barbados	21
Cyprus	21.8
Dominica	23.4
Maldives	30.6
Malta	46.5
Seychelles	65.1

Units: % of Population fully vaccinated.
Source: Commonwealth Tracker.

Remittances – Inflows

Country	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Estimates start after:
Antigua and Barbuda	20	20	21	21	32	31	27	24	25	25	25	2020
Bahamas	-	-	-	-	-	-	-	-	-	-	-	2020
Barbados	82	147	152	191	189	198	156	108	108	108	108	2020
Belize	78	75	76	74	80	85	97	90	93	97	93	2020
Botswana	22	20	20	36	46	30	25	39	44	54	46	2020
Brunei	-	-	-	-	-	-	-	-	-	-	-	2020
Cyprus	862	741	601	431	323	298	392	450	521	439	577	2020
Dominica	23	23	23	24	51	56	44	44	49	49	49	2020
Eswatini	55	64	89	75	96	96	98	144	126	119	112	2020
Fiji	176	161	191	204	221	251	269	274	285	287	312	2020
Gambia	116	91	106	110	138	136	207	228	204	275	298	2020
Grenada	28	29	29	30	41	43	45	47	48	48	48	2020
Guyana	368	412	469	328	330	303	269	322	334	380	361	2020
Jamaica	2,026	2,106	2,168	2,172	2,269	2,361	2,433	2,463	2,502	2,563	2,956	2020
Kiribati	16	17	18	17	16	14	16	18	20	20	19	2020
Lesotho	610	649	555	463	393	371	454	550	544	495	427	2020
Maldives	3	3	3	3	3	4	4	4	4	4	4	2020
Malta	230	227	200	246	253	274	251	269	277	263	281	2020
Mauritius	226	249	249	249	327	224	194	250	245	319	272	2020
Namibia	69	79	80	64	81	47	66	48	54	61	56	2020
Nauru	-	-	-	-	-	-	-	-	-	-	-	2020
Papua New Guinea	4	12	14	14	10	4	3	4	4	3	2	2020
St Kitts and Nevis	139	160	156	161	139	130	130	136	147	147	150	2020
St Lucia	17	25	18	13	15	18	22	22	23	24	10	2020
St Vincent and the Grenadines	14	17	21	21	16	19	20	16	20	25	28	2020
Samoa	47	45	51	52	22	24	23	25	26	26	26	2020
Seychelles	29	29	30	30	35	41	38	42	43	43	41	2020
Solomon Islands	29	29	31	32	44	42	45	46	47	47	44	2020
Tonga	74	84	91	123	119	129	126	159	183	190	194	2020
Trinidad and Tobago	91	162	139	145	145	155	145	135	139	143	178	2020
Tuvalu	4	5	4	4	0	0	0	0	0	0	0	2020
Vanuatu	12	22	22	24	64	105	81	26	35	75	76	2020

Units: US$ Million.
Source: World Bank.

Covid Cases as at February, 2022

Country	Total cases	Total cases per 100k	Daily cases	Total deaths per 100k
Antigua and Barbuda	1258	1	1014.881	42
Bahamas	11597	2	311.014	225
Belize	12777	3	5627.693	323
Barbados	4000	1	966.765	47
Brunei Darussalam	236	53.94	0	0.69
Botswana	52865	2	121.772	809
Cyprus	72090	8	728.532	357
Dominica	184	255.59	0	0
Fiji	259	28.89	21	0.45
Gambia	5978	247.37	0	7.37
Grenada	161	143.09	0	0.89
Guyana	16235	2	147.203	361
Jamaica	48081	1	481.303	931
Kiribati	0	---	0	---
St Kitts and Nevis	60	112.8	0	0
Saint Lucia	4968	2	612.783	77
Lesotho	10822	505.17	0	15.22
Maldives	58345	10	29.365	144
Malta	30509	6	8704.399	418
Mauritius	1311	103.08	15	1.34
Namibia	53432	2	184.637	779
Nauru	0	0	0	0
Papua New Guinea	15222	170.13	35	1.74
Solomon Islands	20	2.91	0	0
eSwatini	18570	1	3332.355	672
Seychelles	10740	10	50.927	38
Tonga	0	0	0	0
Trinidad and Tobago	20879	1	35.369	408
Tuvalu	0	0	0	0
St Vincent and The Grenadines	1989	1	328.509	12
Vanuatu	4	1.3	0	0.33
Samoa	3	1.51	0	0

Source: Commonwealth COVID-19 Data Dashboard.

Consumer Prices

Country	2017	2018	2019	2020	2021	2022	2023	2024	2025	Estimates Start After
Antigua and Barbuda	98.422	99.614	101.083	102.085	103.056	104.508	106.235	108.25	110.415	2019
Bahamas	103.065	105.402	106.809	108.706	111.01	113.7	116.35	118.956	121.533	2018
Barbados	177.583	184.133	191.683	197.208	204.407	209.19	214.085	219.095	224.222	2020
Belize	135.631	135.997	136.251	137.346	138.248	140.851	142.573	145.602	148.778	2019
Botswana	320.632	331.023	340.44	345.947	356.287	368.578	383.322	398.654	414.601	2019
Brunei	98.361	99.397	98.981	99.272	99.777	100.123	100.47	100.819	101.169	2019
Cyprus	99.447	100.224	100.782	100.151	101.17	102.182	103.408	104.856	106.639	2019
Dominica	102.827	104.224	105.899	107.754	109.782	111.978	113.823	116.1	118.422	2019
Eswatini	308.283	323.158	331.508	345.15	359.726	376.198	394.249	413.173	433.23	2019
Fiji	116.425	121.175	123.324	121.72	123.059	125.52	128.031	130.591	133.203	2018
Gambia	452.106	481.587	515.856	547.557	580.642	612.528	643.904	676.171	709.979	2018
Grenada	110.368	111.257	111.923	111.65	112.919	114.838	116.992	119.186	121.422	2019
Guyana	114.729	116.189	118.619	119.762	123.002	126.344	129.481	133.098	137.229	2019
Jamaica	92.768	96.237	100	105.1	110.775	116.702	122.887	129.154	135.612	2019
Kiribati	127.139	127.856	125.451	127.311	129.892	132.604	135.505	138.687	141.978	2017
Lesotho	104.448	109.411	115.088	119.99	125.377	131.641	138.197	145.798	153.817	2018
Maldives	188.773	191.354	193.859	194.578	199.915	203.961	208.071	212.263	216.541	2019
Malta	102.175	103.954	105.538	106.408	107.63	109.162	110.837	112.734	114.968	2019
Mauritius	100	103.231	103.7	106.344	109.714	113.639	117.539	121.487	125.523	2018
Namibia	127.189	132.65	137.586	140.79	145.592	151.853	158.686	165.827	173.289	2019
Nauru	122.607	123.175	128.471	129.616	131.172	133.795	136.471	139.201	141.985	2020
Papua New Guinea	666.442	697.594	723.278	747.685	776.836	813.427	845.732	872.614	900.183	2015
St Kitts and Nevis	107.348	106.236	106.046	106.774	107.982	109.735	111.894	114.095	116.34	2019
St Lucia	114.141	116.865	117.491	117.892	120.335	122.793	125.249	127.754	130.309	2018
St Vincent and the Grenadines	107.925	110.433	111.433	112.398	114.228	116.511	118.839	121.213	123.635	2019
Samoa	110.677	114.741	117.251	120.534	123.547	126.265	129.422	133.054	136.809	2019
Seychelles	105.931	109.85	111.835	116.194	119.611	123.123	126.816	130.621	134.539	2019
Solomon Islands	187.273	193.808	197.35	205.001	211.118	218.139	226.092	234.939	244.743	2019
Tonga	90.476	96.612	99.786	100.331	101.131	103.656	105.829	108.031	110.666	2019
Trinidad and Tobago	122.192	123.437	124.672	124.669	125.912	128.111	129.715	131.018	132.333	2019
Tuvalu	156.081	159.43	162.9	165.343	169.064	172.743	177.423	180.972	184.591	2018
Vanuatu	151.225	154.75	159	163.635	167.541	171.141	174.876	178.812	182.836	2019

Source: WEO.

Inflation

Country	2017	2018	2019	2020	2021	2022	2023	2024	2025	Estimates Start After
Antigua and Barbuda	2.43	1.21	1.43	1.06	1.58	2.04	2.01	2.01	2.01	2020
The Bahamas	1.50	2.27	2.49	0.04	3.02	4.23	3.23	2.90	2.67	2019
Barbados	4.41	3.69	4.10	2.88	2.47	4.36	2.47	2.41	2.31	2020
Belize	1.15	0.27	0.19	0.12	3.10	2.50	2.00	2.00	2.00	2020
Botswana	3.30	3.24	2.75	1.89	5.80	5.00	4.35	4.35	4.35	2019
Brunei Darussalam	-1.26	1.05	-0.42	1.94	2.50	1.50	1.00	1.00	1.00	2019
Cyprus	0.68	0.78	0.55	-1.10	1.67	1.05	1.20	1.40	1.70	2020
Dominica	0.30	0.99	1.51	-0.73	1.45	2.00	1.98	2.00	2.00	2019
Eswatini	6.22	4.82	2.60	3.87	4.30	4.67	4.60	4.57	4.61	2020
Fiji	3.35	4.08	1.77	-2.59	1.10	1.70	2.10	2.20	2.20	2019
The Gambia	8.05	6.52	7.12	5.93	7.04	6.30	6.11	5.51	5.00	2018
Grenada	0.91	0.81	0.60	-0.74	2.51	0.63	1.25	2.01	2.00	2019
Guyana	1.94	1.27	2.09	0.72	3.24	2.68	2.86	3.02	3.10	2020
Jamaica	4.38	3.74	3.91	5.21	5.61	6.25	6.02	5.34	5.09	2019
Kiribati	0.36	0.56	-1.81	1.81	3.31	4.15	2.60	2.04	1.62	2017
Lesotho	4.45	4.75	5.19	4.98	5.83	5.27	4.99	5.50	5.50	2019
Maldives	2.27	1.37	1.33	-1.59	1.43	2.29	1.94	1.79	2.02	2020
Malta	1.26	1.74	1.52	0.79	0.71	1.80	1.98	2.00	2.00	2020
Mauritius	3.68	3.23	0.45	2.52	5.15	6.63	3.00	3.22	3.26	2020
Namibia	6.15	4.29	3.72	2.21	4.04	4.48	4.50	4.50	4.50	2020
Nauru	5.08	0.46	4.30	0.89	1.20	2.00	2.00	2.00	2.00	2020
Papua New Guinea	5.42	4.71	3.68	4.87	3.63	4.52	3.97	3.67	3.65	2019
Samoa	1.30	3.67	2.19	1.49	-3.00	2.70	2.10	2.40	2.60	2020
Seychelles	2.86	3.70	1.81	1.20	9.96	3.72	3.20	3.00	3.00	2019
Solomon Islands	0.50	3.48	1.64	2.96	2.42	3.46	2.76	2.45	2.25	2019
St. Kitts and Nevis	0.70	-1.04	-0.33	-0.59	-0.97	-0.55	0.82	1.97	1.97	2020
St. Lucia	0.11	2.39	0.54	-1.75	2.53	2.97	1.97	2.00	2.00	2020
St. Vincent and the Grenadines	2.15	2.32	0.91	-0.61	1.95	2.15	2.14	2.02	2.05	2020
Tonga	7.20	6.78	3.29	0.42	1.41	4.69	1.83	1.99	2.66	2020
Trinidad and Tobago	1.88	1.02	1.00	0.60	1.04	-0.04	1.38	1.38	1.38	2020
Tuvalu	4.09	2.16	3.49	1.57	2.46	2.65	3.15	3.06	3.18	2018
Vanuatu	3.07	2.38	2.71	5.68	5.41	2.61	2.32	2.17	2.17	2019

Source: WEO, October 2021.

Official Development Assistance (ODA)

Country	2015	2016	2017	2018	2019
Antigua and Barbuda	1.49	0.18	10.3	17.59	27.44
Bahamas	-	-	-	-	-
Barbados	-	-	-	-	-
Belize	28.27	34.96	34.2	33.79	35.44
Botswana	65.54	90.57	102.09	85.75	67.6
Brunei	-	-	-	-	-
Cyprus	-	-	-	-	-
Dominica	-	-	-	-	-
Eswatini	92.63	147.64	147.61	121.3	70.51
Fiji	102.48	117.42	145.9	120.96	128.66
Gambia	113.94	91.99	284.49	234.13	189.85
Grenada	24.1	8.58	5.84	31.74	14.68
Guyana	32.14	70.02	51.13	104.18	111.51
Jamaica	59.07	26.85	61.55	100.21	125.61
Kiribati	64.95	60.84	77.15	80.03	56.66
Lesotho	86.49	112.07	145.66	153.69	140.19
Maldives	23.99	22.71	46.48	131.43	71.08
Malta	-	-	-	-	-
Mauritius	78.42	42.34	14.63	69.18	22.18
Namibia	142.38	170.19	190.45	159.45	144.23
Nauru	31.25	22.68	25.76	37.53	54.33
Papua New Guinea	591.39	531.58	532.63	790.33	649.17
St Kitts and Nevis	-	-	-	-	-
St Lucia	13.76	15.23	15.38	8.56	32.11
St Vincent and the Grenadines	13.5	9.12	11.86	18.15	84.48
Samoa	93.72	88.64	136.22	128.1	123.72
Seychelles	6.78	5.8	16.2	-	-
Solomon Islands	190.03	175.5	186.81	195.56	223.89
Tonga	68.4	82.61	87.23	97.45	107.95
Trinidad and Tobago	-	-	-	-	-
Tuvalu	49.65	24.44	28.53	27.37	36.48
Vanuatu	186.56	129.13	132.7	130.93	130.59

Units: USD Millions.
Source: OECD.Stat.

Unemployment

Country	2017	2018	2019	2020	2021	2022	2023	2024	2025	Estimates Start After
The Bahamas	10.1	10.35	10.1	25.571	21.549	15.22	11.508	10.583	10.316	2018
Barbados	9.95	10.05	10.748	24.694	18.611	12.925	11.672	11.046	10.727	2019
Belize	9.35	9.725	9	13.743	10.623	9.772	8.95	8.057	7.156	2019
Brunei Darussalam	9.3	8.7	6.822	6.822	6.822	6.822	6.822	6.822	6.822	2019
Cyprus	11.05	8.35	7.075	7.575	7.501	6.859	6.398	5.934	5.468	2020
Fiji	4.5	4.5	4.5	13.351	9	6.5	5.5	5	4.7	2019
Jamaica	11.65	9.125	7.7	n/a	n/a	n/a	n/a	n/a	n/a	2019
Malta	4	3.658	3.617	4.283	3.6	3.5	3.5	3.5	3.5	
Mauritius	7.1	6.9	6.7	9.2	9.5	7.8	7.5	7.3	7.3	2020
Namibia										2020
Seychelles	3	3	3	3	3	3	3	3	3	
Solomon Islands										2015
Tuvalu										2018

Note: Data not available for some countries.
Source: WEO, October 2021.

CO_2 Emissions

Country Name	2010	2011	2012	2013	2014	2015	2016	2017	2018
Antigua and Barbuda	5.57	5.71	7.96	5.14	5.19	5.24	5.29	5.24	5.50
Bahamas, The	5.86	6.73	10.01	8.47	7.07	6.33	5.79	5.63	5.86
Belize	1.74	1.94	2.04	1.45	1.39	1.83	1.76	1.73	1.78
Barbados	5.64	5.90	7.79	5.21	4.53	4.52	4.58	4.19	4.36
Brunei Darussalam	17.65	17.81	17.87	17.36	17.01	14.41	15.27	15.81	16.64
Botswana	1.70	1.98	2.52	2.70	3.41	3.40	3.30	3.57	3.64
Cyprus	7.03	6.71	6.18	5.58	5.86	5.84	6.11	6.19	6.08
Dominica	2.54	2.40	3.52	2.39	2.53	2.53	2.52	2.38	2.51
Fiji	1.35	1.29	1.19	1.31	1.51	1.74	1.99	2.06	2.15
Gambia, The	0.25	0.24	0.24	0.22	0.26	0.25	0.25	0.24	0.25
Grenada	2.73	2.72	3.91	2.96	2.30	2.46	2.54	2.62	2.69
Guyana	2.35	2.43	2.65	2.61	2.70	2.67	2.99	2.99	3.13
Jamaica	2.66	2.69	2.50	2.65	2.57	2.52	2.67	2.46	2.90
Kiribati	0.49	0.48	0.56	0.56	0.55	0.54	0.71	0.70	0.69
St. Kitts and Nevis	4.90	5.26	7.02	4.57	4.53	4.69	4.84	4.61	4.96
St. Lucia	2.30	2.16	2.94	1.80	2.02	2.12	1.94	2.04	2.14
Lesotho	1.08	1.10	1.13	1.13	1.13	1.08	1.09	1.17	1.22
Maldives	2.62	2.65	2.87	2.72	3.13	2.97	3.68	3.67	3.70
Malta	6.22	6.17	6.45	5.56	5.41	3.71	2.96	3.25	3.20
Mauritius	2.93	2.91	2.97	3.03	3.13	3.14	3.20	3.31	3.26
Malawi	0.07	0.08	0.07	0.08	0.07	0.07	0.08	0.08	0.09
Namibia	1.48	1.54	1.61	1.71	1.76	1.84	1.85	1.80	1.74
Nauru	4.00	3.97	3.95	4.90	4.86	4.82	5.73	6.62	6.56
Papua New Guinea	0.69	0.69	0.64	0.67	0.74	0.79	0.92	0.91	0.87
Solomon Islands	0.64	0.65	0.65	0.68	0.58	0.51	0.58	0.55	0.57
Eswatini	0.95	0.95	0.98	1.43	0.88	0.93	1.10	0.92	0.96
Seychelles	4.90	4.57	5.10	4.56	5.04	5.35	5.70	6.16	6.41
Tonga	1.15	1.06	1.07	1.18	1.09	1.09	1.48	1.76	1.84
Trinidad and Tobago	17.03	17.36	16.45	16.79	16.09	15.51	13.23	13.14	12.78
Tuvalu	0.95	0.94	0.93	0.92	0.91	0.90	0.89	0.88	0.87
St. Vincent and the Grenadines	2.31	2.12	3.69	2.03	2.66	2.02	2.47	2.46	2.54
Vanuatu	0.55	0.54	0.48	0.43	0.61	0.52	0.65	0.60	0.62
Samoa	1.02	1.07	1.06	1.05	1.09	1.24	1.54	1.54	1.63
SS Average	3.43	3.48	3.91	3.45	3.41	3.26	3.33	3.37	3.46
World	4.48	4.57	4.58	4.61	4.56	4.49	4.44	4.44	4.48
High income	11.28	11.02	10.83	10.85	10.62	10.52	10.37	10.27	10.25

Source: World Bank, 2021.

The Commonwealth

Small States Economic Review and Basic Statistics is a flagship publication of the Commonwealth Secretariat highlighting the development indicators of Commonwealth Small States and disseminating knowledge of their economic performance.

The Secretariat has published reports on small states since 1995, covering various aspects of the sustainable development of these countries. This 21st volume looks at the performance of small states during the COVID-19 pandemic, covering the various challenges that these countries faced. This includes the macro- and socio-economic impacts of the pandemic as well as the challenges encountered in relation to rising debt and climate change effects.

Part II of this edition focuses in particular on the fallout in the tourism industry due to the pandemic, and offers potential steps and solutions to help facilitate the recovery of the sector.

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